CHESTERFIELD BOROUGH COUNCIL

Chesterfield Borough Local Plan

Submission Version

Employment Land Topic Paper

February 2019

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Introduction

1.0 This topic paper explains the background to and summarises the main evidence supporting the proposed employment and economic development policies in the Chesterfield Borough Local Plan 2018-2033 Submission Version which is hereafter referred to as 'the Local Plan'. It sets out the economic context, key findings of the economic evidence and forecasts undertaken. The topic paper demonstrates that the Local Plan provides an appropriate strategy for the delivery of employment and economic development in the District and includes the allocation of a robust supply of employment land to meet potential demand.

1.1 The intention is to signpost rather than to duplicate the detailed technical evidence which is already available in the evidence base and not to repeat the explanation given under each policy in the Local Plan itself. The main aim is to demonstrate that the policies are sound and to assist the Inspector carrying out the Examination into the Local Plan, as well as others taking part in the Examination Hearing.

1.2 The council considers that its economic development strategy, approach to providing new employment land and safeguarding existing employment sites meets the soundness tests set out in National Planning Policy Framework for local plan preparation.

1.3 This Topic Paper is a position statement at March 2019 and will be updated in summer 2019 following the completion of the Employment Land Monitoring Reports.

1.4 The report sets out;

a) the level of employment growth for the Plan period;
b) the amount (scale) of employment land to be provided for;
c) the distribution of that provision in terms of new land; and
d) the broad approach to be taken in policies to protect and provide for the future of employment land in the District.

Key Evidence Studies

1.5 There is a comprehensive evidence base that sits behind the Local Plan that has helped to inform policy development at each stage of plan-making. The Employment Land Requirement 2018 – 2033 paper is attached at Appendix 2. All the documents are listed and are available from the Council's website at the following https://www.chesterfield.gov.uk/planning-and-building-control/planning-policy-and-the-local-plan/evidence-base.aspx

1.6 The key evidence documents relevant to this topic are:

- D2N2 Strategic Economic Plan (SEP)
- SCR SEP
- CBC Employment land Monitoring Report 2017 – 2018
- Growth Strategy 2019 – 2023

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2.0 Economic Overview

2.1 Chesterfield Borough is located within the area covered by two Local Enterprise Partnerships (LEPs): the Sheffield City Region (SCR) LEP, and the D2N2 LEP. While sitting within the East Midlands Region, the District has a stronger economic relationship to SCR than to the economic drivers of Derby and Nottingham within D2N2, which are further away to the South.

2.2 Chesterfield is a significant employment centre, attracting over 21,000 daily commuters from surrounding areas, mainly North East Derbyshire, Bolsover, Sheffield and Derbyshire Dales. Chesterfield is the most important source of employment for Chesterfield residents with almost 31,000 (or 64%) working in the borough and a further 17,000 travelling outside the area for work

2.3 The Borough of Chesterfield lies within the North Derbyshire & Bassetlaw Housing Market Area (HMA) consisting of the local authorities of Bassetlaw, Bolsover, Chesterfield and North-East Derbyshire. The 2013 SHMA report considered that this is an appropriate functional HMA, and recognised the economic links more widely across the Sheffield City Region. Earlier work for the East Midlands Regional Assembly and for the Department for Communities & Local Government (CLG) established recognition of housing market areas.

Strategic context - Economic Plans

2.4 The SCR's Strategic Economic Plan (SEP) sets out an ambition to structurally transform the city region's economy by securing 'a bigger stronger private sector' that can support the creation of 70,000 jobs by 2025. The SEP identifies Chesterfield as the sub-regional economic centre for northern Derbyshire, with a high quality urban core and opportunities for further growth in the Staveley and A61 Corridors. The A61 Corridor (including Chesterfield town centre), alongside Markham Vale, is highlighted as one of the seven spatial priority areas in the city region where a significant proportion of growth is expected to occur.

2.5 The Council's pro-active engagement with SCR is providing significant regeneration benefits for the borough, with pump-priming infrastructure funding (via the SCR Investment Fund) supporting the delivery of Chesterfield Waterside (£2.7m), Peak Resort (£2.85m), Northern Gateway (£5.83m) and the Markham Vale Seymour Link Road (£3.1m via Derbyshire CC). Chesterfield companies benefit from access to business support via the SCR Growth Hub, including potential grant funding and bespoke workforce training programmes from the SCR's Skills Bank.

2.6 The D2N2 LEP is currently consulting on its revised SEP which sets out an ambition (by 2030) for a world class innovation-led, highly productive economy with a global reputation for manufacturing excellence. The SEP aims to close the persistent productivity gap (with the area producing too little output for the hours worked) as the basis for driving up living standards, with more people in higher-wage occupations.

2.7 The SEP highlights the role of D2N2's major towns as important economic centres in their own right, with 'Chesterfield being home to over 30,000 jobs, having an economy generating over £2bn of GVA per annum and a planned station on the High Speed 2 line'. D2N2 will work with local partners to deliver the North Derbyshire Growth Zone, centred around the station in Chesterfield and the Infrastructure Maintenance Depot at Staveley, to enhance Chesterfield's role as a Peak District Gateway and accelerate the regeneration of the Staveley Corridor and surrounding key sites.

2.8 D2N2 has provided funding of £2.5m for the Seymour Link Road and £3.5m to the University of Derby to support the redevelopment of the former St Helena's school as a new university campus (opened October 2016). Funding has also been allocated to upgrade the A61 Whittington Moor roundabout (£3.2m) and £12.8m has been made available over a four year period to 2021 for transport investment in the wider A61 Corridor (covering both Chesterfield and North East Derbyshire).

2.9 As a sub-regional centre, employment in Chesterfield is spread across a range of sectors beyond the 'B' class uses; including retail and leisure. A particularly high proportion are also in the public sector (35.8% of jobs as of 2014) in public administration, education and health, due to the presence of head offices for a borough, Chesterfield College and the Walton and Chesterfield Royal hospitals.

3.0 Employment Land Requirement

3.1 Chesterfield's employment land requirements for the period 2018-33 have been determined in line with the Planning Practice Guidance Note on assessing future employment need. It takes account of: a demographically derived assessment of employment need; employment growth forecasts; past take-up rates; and local knowledge of the functioning of Chesterfield's commercial property market to identify a future land requirement. The detailed analysis of the requirement is set out in the council's Employment Land Requirement Paper 2018-2033 (Appendix 2).

3.2 This paper concluded that;

- Manufacturing employment to continue to decline, but at a slower rate than forecast nationally

- Limited growth in retail employment reflecting on-going changes in consumer behaviour particularly the growth in on-line shopping. Improved town centre leisure offer (Northern Gateway) and development of Chesterfield Waterside and Peak Resort sees employment growth in the accommodation and food services sector.

- Significant expansion of the transport and storage sector on the back of Markham Vale. The most recent employment figures (2017) do not fully take account of the recent growth seen at Markham Vale, so this figure will be discounted by 800 jobs for employment which has already been created (but not yet included in the figures). Future growth also linked to

the development of the Staveley HS2 Infrastructure Maintenance Depot (IMD).

- A large number of jobs created in the 'financial and business services' sector (mainly in business services rather than financial), but rate of growth (20%) behind the growth rate seen nationally (25%).

- Employment growth in the education and health sectors, set against some further job losses in public administration.

- A requirement to accommodate an additional 4,200 (rounded) jobs in Chesterfield by 2033.

3.3 To translate the employment forecast (4,200 jobs) into an employment land requirement up to 2033, the current (2017) economic structure was used as the baseline data. Based on past trends, the current national sector profile and forecast for growth at the national scale, a calculation was made assigning employment growth to key business sectors. The results are set out in table 1.

Table 1.

Employment Sector	Chesterfield 2017		Chesterfield 2033		Employment Change (2017-2033)
Energy/Water	250	0.5%	250	0.5%	0 (0%)
Manufacturing	5,000	10.0%	4,200	7.8%	-800 (-16%)
Construction	1,750	3.5%	2,100	3.9%	350 (14%)
Wholesale / Retail	9,500	19.0%	9,900	18.3%	400 (4%)
Transport and Storage	2,500	5.0%	3,800	7.0%	1,300 (52%)
Accommodation / Food Services	2,900	5.8%	3,400	6.3%	500 (17%)
ICT	1,750	3.5%	2,000	3.7%	250 (14%)
Financial and Business Services	7,100	14.2%	8,500	15.7%	1,400 (20%)
Public Admin, Education, Health	18,000	36.0%	18,600	34.3%	600 (3%)
Other Services	1,250	2.5%	1,450	2.7%	200 (14%)
Total	50,000		54,200		4,200 (8.4%)

Balance of employment

3.4 Total employment to be allocated to B uses equates to 2,550 jobs. The balance of employment growth falls within the retail, accommodation/food services, education and health sectors.

3.5 The locational needs of these employment sectors can differ substantially. Retail and leisure uses will remain predominantly in town, district and local centres (set out in policy LP9 and LP10), along with the majority of office use. However it will remain important to maintain a supply of land suitable for a

wide range of business and industrial use (within use classes B1, B2 and B8) in order to promote economic growth and a diverse and vibrant business sector. This flexibility in employment land is essential and will allow the council to welcome opportunities for new models of economic growth, such as clusters of high-tech businesses, should such opportunities arise.

3.6 The employment land projection calculations estimate the total employment land requirement is;

- B1 – 5.2 ha
- B2 – 21.0 ha
- B8 – 17.6 ha

A total of 43.8 ha (44ha).

4.0 Employment Land Availability/Supply

4.1 The most recent yearly monitoring of employment land provides details of;

- All known employment land take up from 1 April 2017 to 31 March 2018
- All known employment land losses form 1 April 2017 to 31 March 2018
- Details of all know land commitments at 31 March 2018
- Gross take up in employment since 2011.

4.2 Between 2011 and 31st March 2018, monitoring showed that 54.9ha of land (net) had been developed for employment purposes.

4.3 As of April 1st 2018, unimplemented planning permissions for employment land provides a potential supply of 24.3ha.

4.4 Other developed land within established employment areas allocated on the policies map will provide an additional 16.2 ha (see Appendix 1). Table 2 sets out the employment land supply.

Table 2 Employment Land Supply

Commitments	
Land with planning permission (31/3/18) (excluding Markham Vale)	21.09
Markham Vale	5.2ha
Waterside	-2ha
Total	**24.3ha**
Sites without Planning Permission	
Whitting Valley Road	3.74ha
Station Road (Wagon Works)	6.3ha

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Former GKN works, Sheepbridge Lan	3.6ha
Impala Estates (land adj Markham Vale)	2.6ha
Former Boythorpe Works, Goyt Side Road	5ha
Staveley Works Corridor	2 ha
HS2 IMD*	4ha
Total	**27.33ha**
Total Supply	**51.63ha**

** Based on an equivalent site area assuming 250 jobs at equivalent to B8 use instead of site size*

4.5 Detailed evidence of employment land monitoring is set out in the Employment land Monitoring Report 2017 – 2018.

5.0 Concluding Remarks

5.1 The employment policy LP7 provides a positive strategy (NPPF, para 20) for meeting Chesterfield's B1, B2 and B8 employment needs.

5.2 The policy provides for enough land to meet the objectively assessed minimum requirement set out in the Employment Land Requirement Paper 2018-2033".

5.3 The Council is confident that the approach taken in the policy is sound. It sets out an appropriate scale of employment development at locations that are attractive to the market, and ensures housing and employment is co-located to create sustainable communities. The plan identifies a range of sites distributed throughout the borough. The sites identified in Appendix 1 are well located, served by infrastructure, and are accessible by sustainable modes of travel.

5.4 The sites identified have been informed by consultation at each stage, by the Land Availability Assessment process and tested as part of the Sustainability Appraisal.

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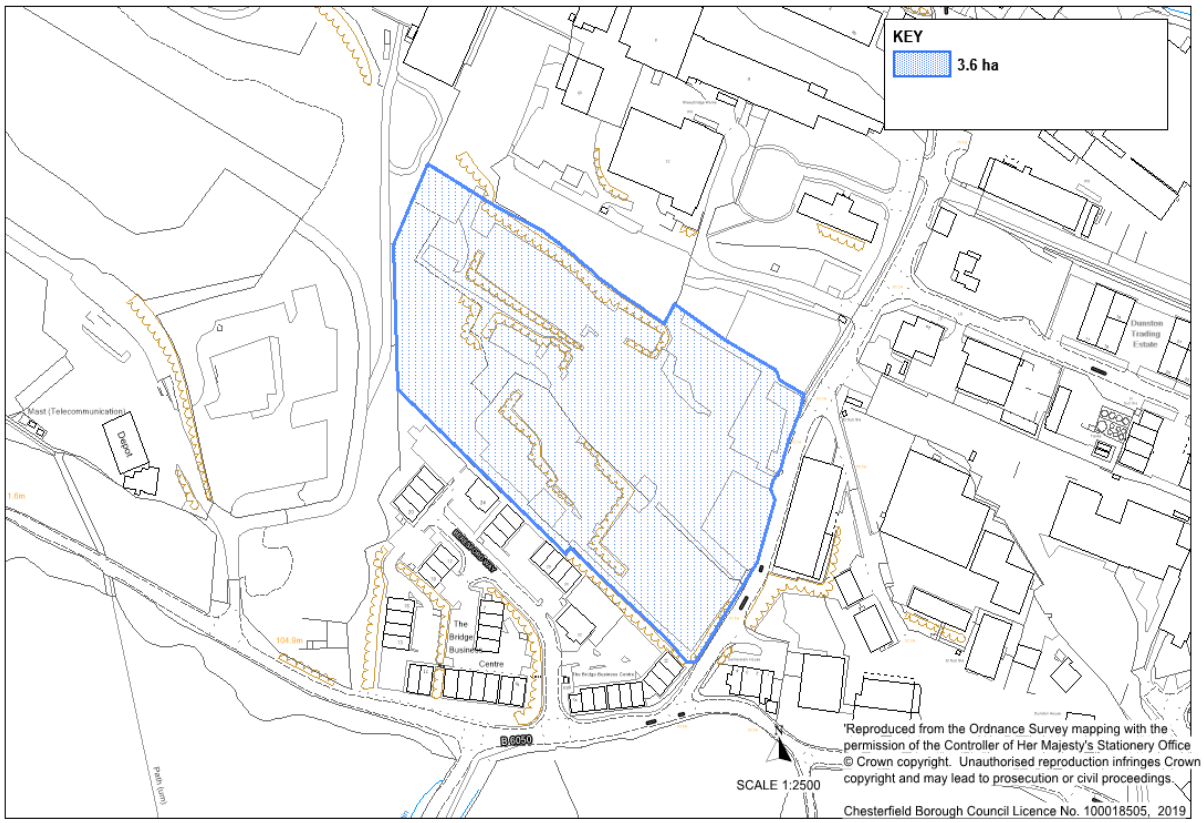
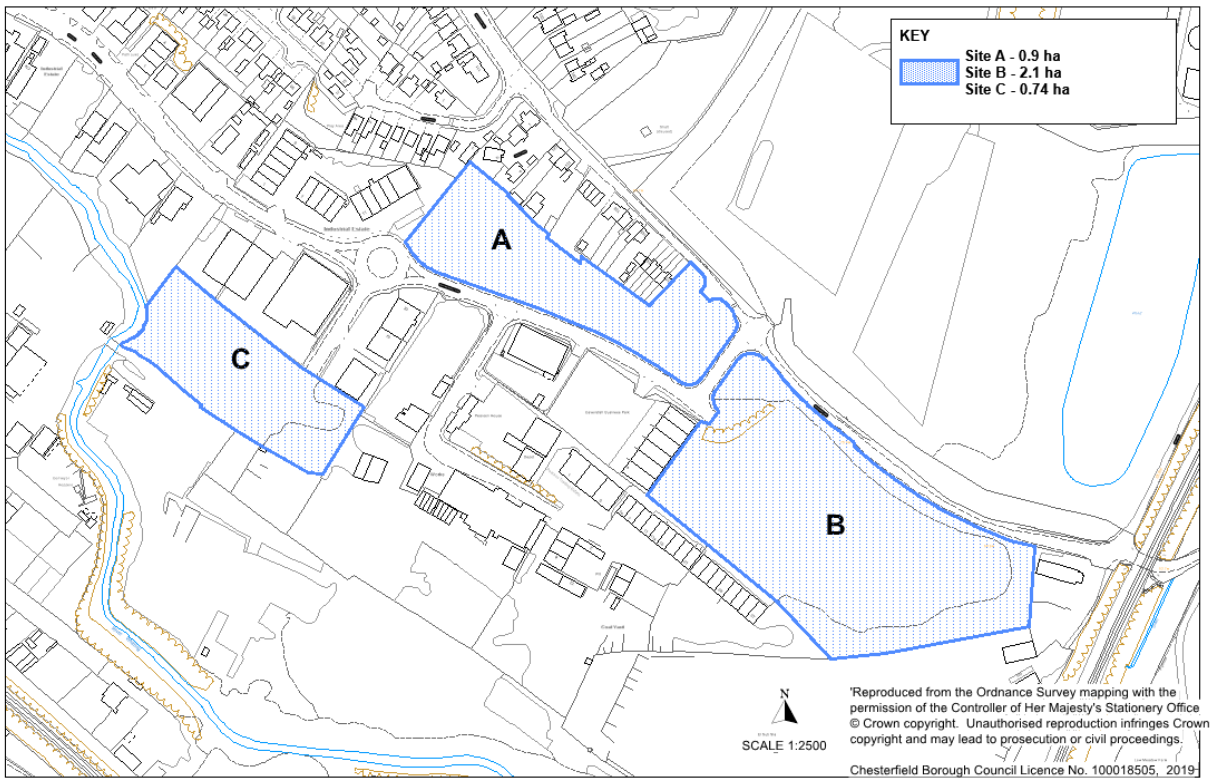
Appendix 1: Employment Allocations

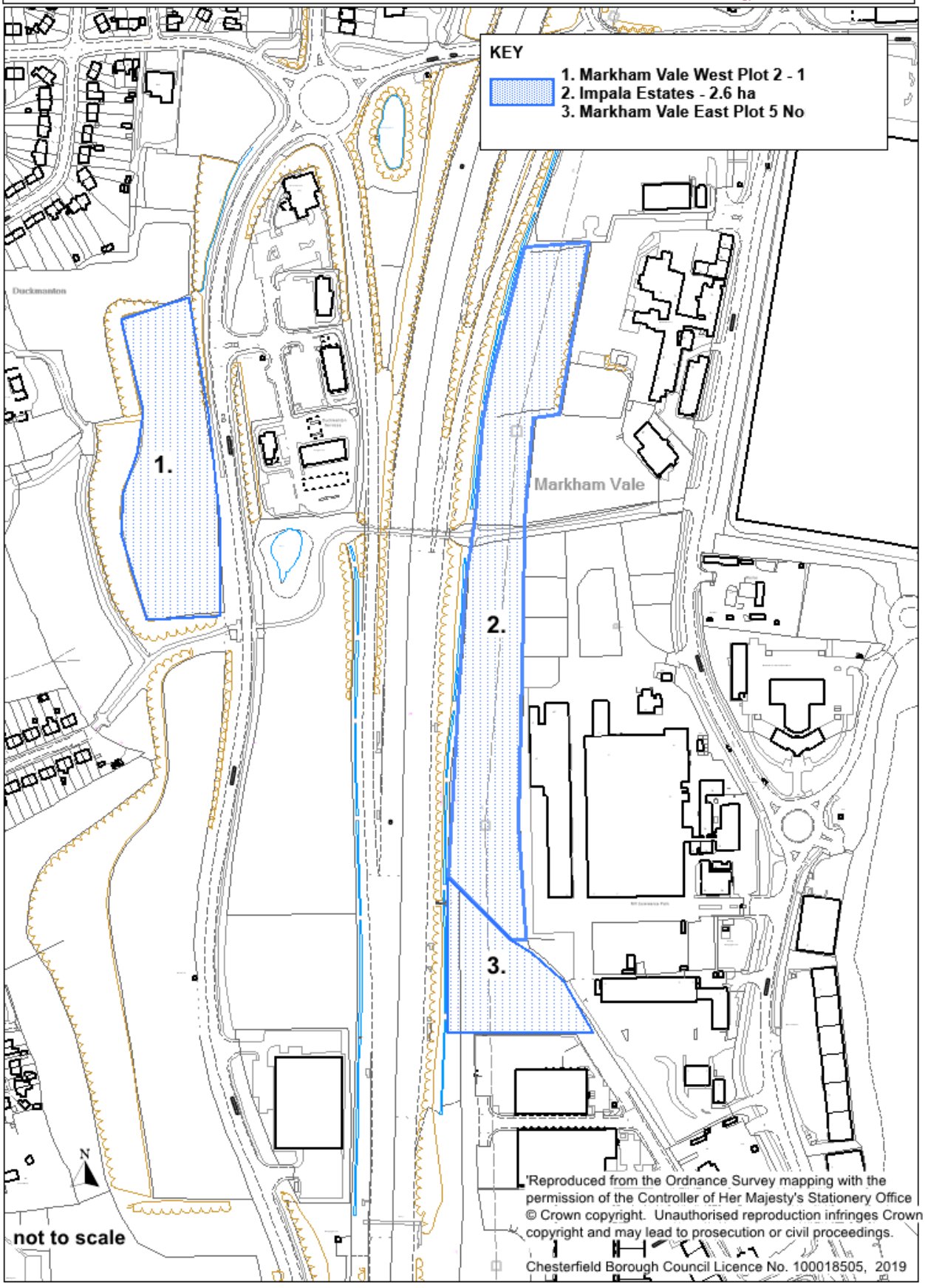
Employment Allocation - Former GKN, Sheepbridge



Employment Allocations - Whitting Valley Road



Employment Allocations - Markham Vale



Employment Allocation - Markham Vale East

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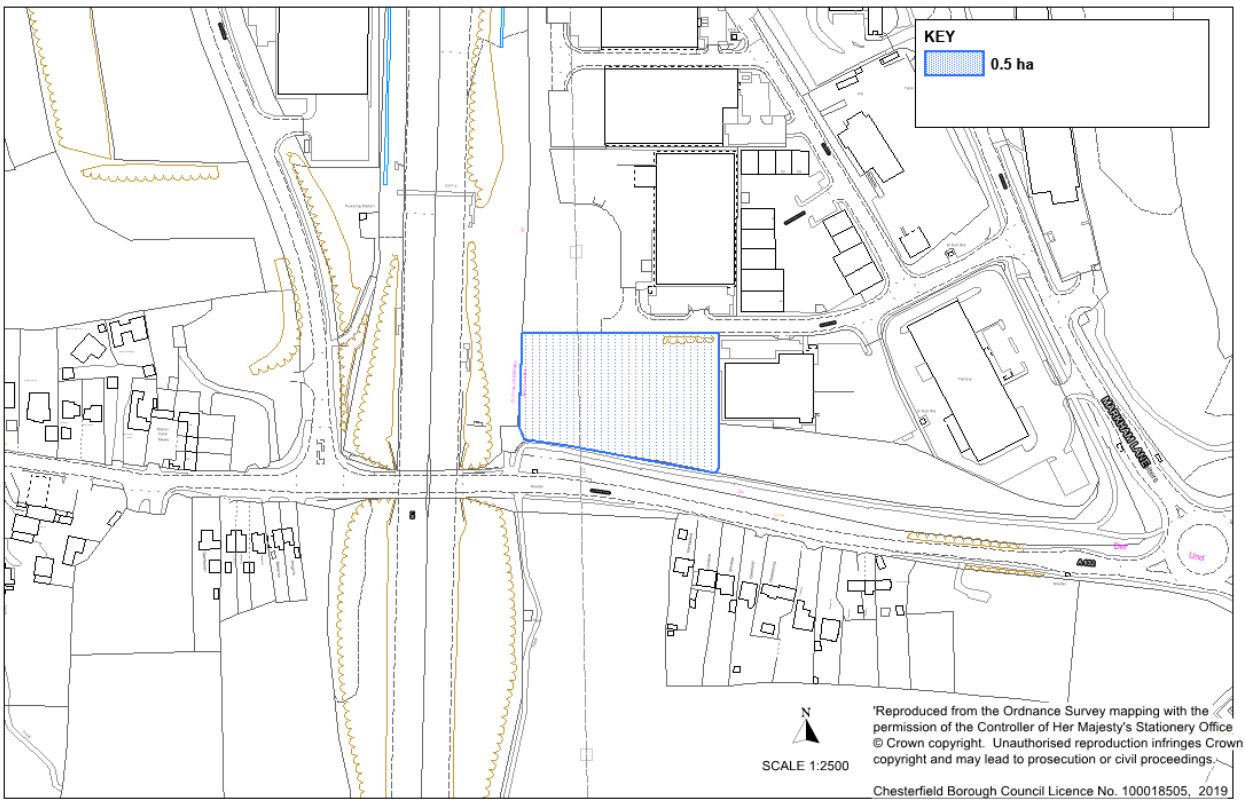

Employment Allocation - Markham Vale North - Plot 1

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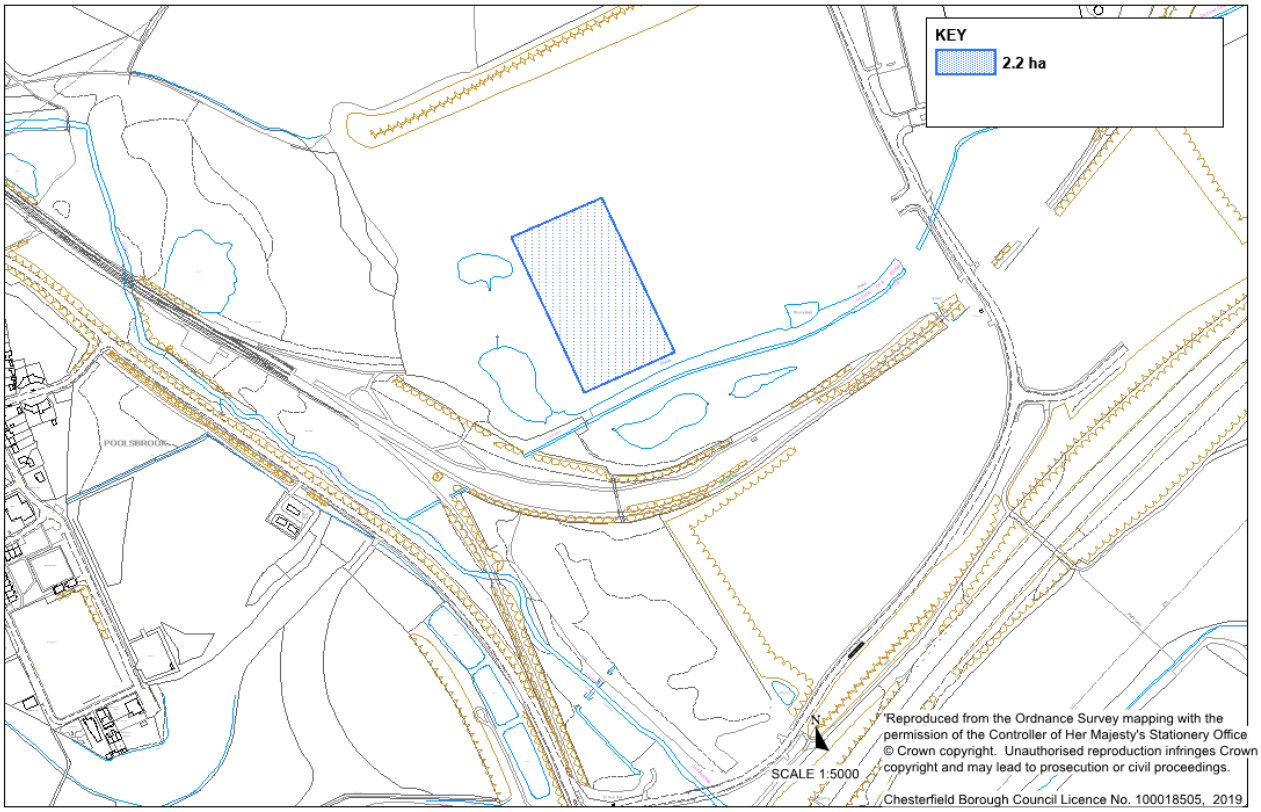

Employment Allocations - Station Road (Wagon Works)

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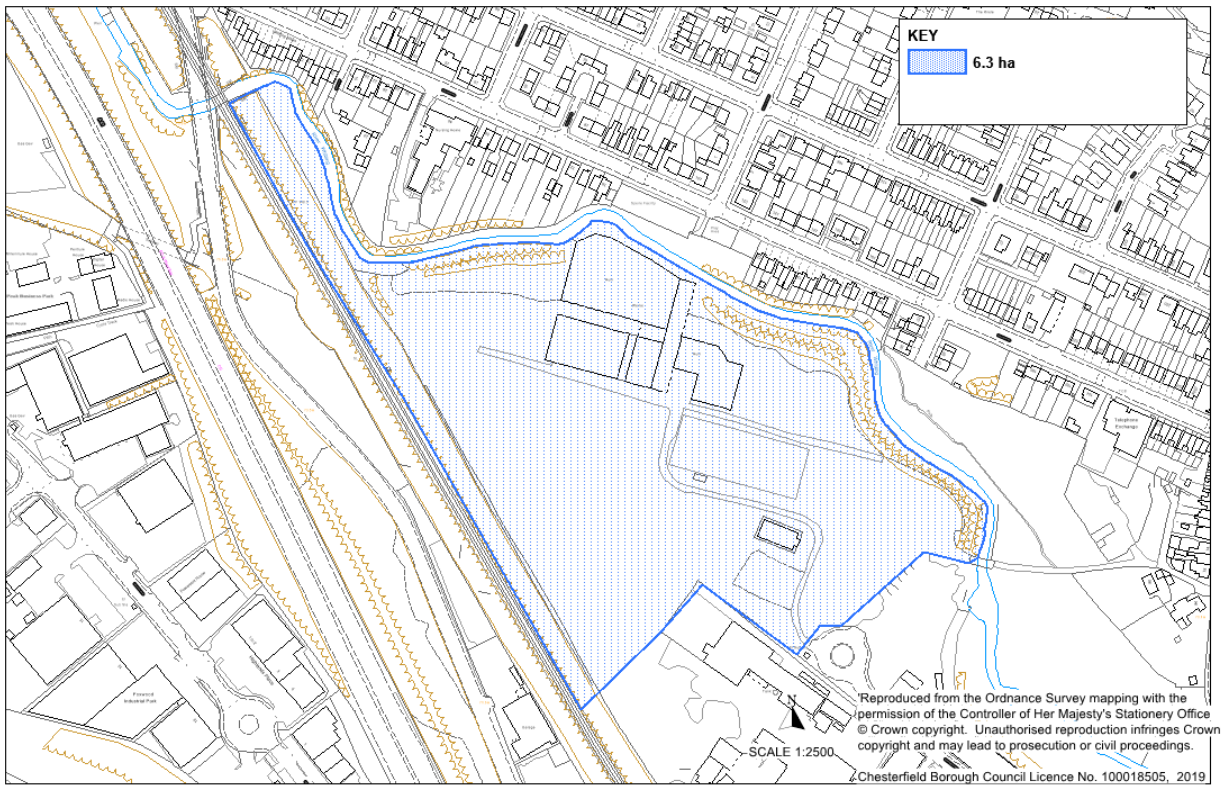

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Chesterfield Borough Local Plan

Employment Land Requirement 2018-2033

October 2018

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1. Chesterfield Employment Land Requirements (2018-33)

1.1. Chesterfield's employment land requirements for the period 2018-33 have been determined in line with the Planning Practice Guidance Note on assessing future employment need. It takes account of: a demographically derived assessment of employment need; employment growth forecasts; past take-up rates; and local knowledge of the functioning of Chesterfield's commercial property market to identify a future land requirement.

1.2. Chesterfield faces a key challenge of building a more resilient economy that can create and sustain a range of quality job opportunities. This challenge reflects a long and difficult period of industrial restructuring in the economic base that has seen local employment growth significantly lag behind the growth seen at the national and regional scales. For example, over a 30 year period (1987-2017) the local economy has increased workforce employment by 9%, compared to growth of 40% in the national economy. If the local economy had grown in line with the national economy there would now be over 64,000 jobs in the borough compared to the 50,000 jobs there are at present.

1.3. Essentially what Chesterfield needs is a stronger, more diversified, private sector business base to drive employment growth in the future. The Council has an important role to play in this process by making Chesterfield the best possible place in which to establish and grow a business. A key part of this is the provision of a high quality sites and premises infrastructure that can support the effective functioning of the business base and attract new investment to the area.

1.4. Chesterfield needs to be able to offer an appropriate range of employment sites, in terms of quantity, size and location. The quality of site provision is key – the aim should be the identification of a portfolio of employment sites that are attractive to the market (recognising that attracting / retaining business investment is a competitive process) and that have a realistic prospect of implementation within the designated plan period. There is a need to ensure that the best employment sites are safeguarded for employment use and not lost to other uses such as housing. This is not to preclude the development of mixed uses on former industrial sites so long as appropriate provision is made to meet employment land requirements.

2. Calculating Future Employment Need

Population Based Assessment

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2.1. The starting point in determining future employment need has been a demographically derived assessment based on Chesterfield's projected population in 2033.

2.2. Based on 2016 projections, ONS estimate Chesterfield's population as 107,257 in 2033, compared to 104,765 in 2018. The working age population (16-67) is estimated as 64,694. The national economic activity rate (including those in employment and the unemployed) currently stands at 78.4% and is increasing gradually over time (2005 - 76.4%). Economic activity rates are predicted to increase in future, particularly for women across all age ranges (apart from 16-24 year olds) and for men in the older age ranges. For this forecast, it is assumed that the future economic activity rate for Chesterfield will be 79% by 2033.

2.3. Economically active population: 64,694 x 0.79 = 51,108

2.4. In addition to the core working age population (16-67), the Census 2011 also identifies a degree of economic activity (7%) in the older age ranges. This % has been applied to the 67-79 age range to give a total economically active population of 52,266 in 2033 (this is considered a conservative estimate given the probability that an increasing number of people will have to work beyond retirement age in future).

2.5. As a sub-regional employment centre, Chesterfield not only provides jobs for local residents but also for residents in surrounding areas (Chesterfield's Travel To Work Area (TTWA) covers a large part of North East Derbyshire and Bolsover, part of Derbyshire Dales, as well as attracting a number of commuters from Sheffield). On the basis that Chesterfield will seek to maintain and even strengthen its sub-regional employment role, this forecast also takes account of employment demand from Chesterfield's wider TTWA.

2.6. At the time of the Census 2011 (most recent data), there were 48,190 Chesterfield residents in employment (either in Chesterfield or outside the borough) and a total of 52,110 people working in the borough. This gives a ratio of 1.08 jobs in the borough per employed Chesterfield resident. This compares to 1.14 jobs per employed resident at the time of the Census 2001 and reflects the impact of economic restructuring and Chesterfield's diminished role as an employment centre. Assuming a small relative improvement in Chesterfield's role by 2033, a ratio of 1.1 has been applied to give an employment figure of 57,493.

2.7. In 2018 there are approximately 53,000 jobs in Chesterfield, including workforce jobs and the self-employed. Subtracting this figure from the projection gives an additional employment demand of 4,493 by 2033. A further adjustment is made for home workers (7% at the time of the Census 2011), reducing the number of jobs to be accommodated by approximately 300.

2.8. Therefore there will be a requirement to accommodate an additional **4,200** (rounded) jobs in Chesterfield by 2033.

Employment Growth Based Forecast

2.9. As noted above, local employment growth has consistently lagged behind the growth seen at the regional and national scales. Over the last 15 year period (2002-17), local employment increased by 6% which was some way behind the 16% growth rate achieved at the national scale. Looking forward PWC forecast that national employment will grow by an average of 0.9% pa over the 10 year period 2015-25. Assuming a similar annual growth rate for 2018-33, this would give total employment growth of around 14% over the period. Given the nature of the structural challenge that the local economy has faced, it is considered that growth of 6% (matching the previous growth rate) would represent the lower end of any employment projection, whilst growth of 14% (matching the national growth rate) would represent the upper end of any projection.

2.10. The population based forecast of 4,200 jobs, equates to a growth rate of 8.4% and sits towards the lower end of the 6%-14% range forecast. As such this could be considered a realistic (if not relatively conservative) employment growth forecast.

2.11. Looking at growth prospects on a sector basis, PWC forecast continuing decline in manufacturing (-23%) and public administration (-13%), whilst all other sectors will see growth ranging from 4% in distribution/hotels/restaurants to 25% in business services. To note the PWC forecast was produced prior to the Brexit decision so there is a risk that growth rates could be adversely impacted (at least in the shorter term) depending on the final outcome of the Brexit negotiations.

Past Take-Up Rates

2.12. Whilst the local economy has significantly underperformed the national economy in terms of employment creation, it has seen better performance in relation to the growth of the business base. Over the last 5 years (2012-17), Chesterfield's business base has increased by 575 businesses (currently 3,340 businesses in total), an increase of 21% compared to a 26% increase seen nationally. In the key sector of business services, local growth has almost been on a par with the national average (37% compared to 39%). So even when employment has been growing slowly (or even declining), the business base has continued to expand, generating an on-going requirement for new business floorspace.

2.13. This is illustrated with reference to Markham Vale which has seen large scale development averaging out at 5.5 ha a year over the period 2012-18 (on

those sites within Chesterfield Borough). Whilst this includes a small number of very large sites (with two warehouses by Great Bear accounting for just over 50% of the total), there have also been a number of manufacturing companies (for example Inspirepac, MSE Hiller, Squadron Medical, Ready Egg Products) expanding on site. These companies (excluding the large scale logistics uses) have generated an average demand of 1.4 ha pa over the last 7 years. Given that there has been very little development elsewhere in the borough (a reflection of the market appeal / readiness of the wider site supply?), this level of demand could be considered (under normal market conditions) to be the minimum level of land supply required to support the normal functioning of Chesterfield's manufacturing base. Future employment land provision will need to take account of this regular turnover demand alongside the actual demand created by the overall increase in employment.

Future Employment by Key Business Sector

2.14. In order to translate the employment forecast (4,200 jobs) into an employment land requirement it is necessary to guesstimate what the structure of the economy might look like in 2033. Taking the current (2017) economic structure as a starting point, the guesstimate seeks to assign employment growth to key business sectors based on past trends, the current national sector profile and forecasts for growth at the national scale.

2.15. In summary:

- Manufacturing employment to continue to decline, but at a slower rate than forecast nationally (to note the forecast does not take account of the current Talgo inward investor enquiry, the successful outcome of which would have a significant positive impact on manufacturing employment in the Borough).

- Limited growth in retail employment reflecting on-going changes in consumer behaviour particularly the growth in on-line shopping. Improved town centre leisure offer (Northern Gateway) and development of Chesterfield Waterside and Peak Resort sees employment growth in the accommodation and food services sector.

- Significant expansion of the transport and storage sector on the back of Markham Vale. The most recent employment figures (2017) do not fully take account of the recent growth seen at Markham Vale, so this figure will be discounted by 800 jobs for employment which has already been created (but not yet included in the figures). Future growth also linked to the development of the Staveley IMD.

- A large number of jobs created in the 'financial and business services' sector (mainly in business services rather than financial), but rate of growth (20%) behind the growth rate seen nationally (25%).

- Employment growth in the education and health sectors, set against some further job losses in public administration.

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Accommodation / Food Services	2,900	5.8%	3,400	6.3%	500 (17%)
ICT	1,750	3.5%	2,000	3.7%	250 (14%)
Financial and Business Services	7,100	14.2%	8,500	15.7%	1,400 (20%)
Public Admin, Education, Health	18,000	36.0%	18,600	34.3%	600 (3%)
Other Services	1,250	2.5%	1,450	2.7%	200 (14%)
Total	50,000		54,200		4,200 (8.4%)

3. Assigning Business Sectors to B1, B2 and B8 Use Classes

B1 Office Space

Level of employment to be accommodated in B1 offices:

ICT – 250 jobs

Financial and Business Services – 1,400 jobs

Other Services (50% of allocation) – 100 jobs

Public Sector – 200 jobs allocated (out of 600) for office related uses

Net employment requirement: 1,950 jobs

B2 Industrial

No net employment requirement, as employment created in construction balanced by job losses in manufacturing.

Future land requirement linked to supporting the effective functioning of the manufacturing base. An allowance of 1.4 ha pa, equating to **21 ha** over the 15 year period.

B8 Distribution

Wholesale and Retail Sector (50% of allocation for wholesale) – 200 jobs

Transport and Storage – 500 jobs (with 800 jobs already delivered at Markham Vale)

Net employment requirement: 700 jobs

Balance of Employment

Total employment to be allocated to B class uses – 2,550 jobs. The balance of employment growth falls within the retail, accommodation / food services, education and health sectors, and will be covered by appropriate planning policies / allocations under other planning use classes.

4. Employment Land Projections 2018-33

B1 Offices

Net employment requirement 1,950 jobs

1,950 x 1 office job/12 sqm net (based on HCA floorspace ratios) = 23,400 sqm

An allowance of 20% to convert net to gross floorspace = 29,250 sqm

Standard plot ratio of 40% (building footprint to site area), assume a 3 storey office building so a plot ratio of 120% = 24,375 sqm (or 2.4 ha)

In addition, an allowance of 10% per 10 year period has been made to account for demand generated as a result of normal turnover within the sector.

10,000 x 15% x 1 job/12 sqm / 0.8 / 1.2 plot ratio = 18,750 sqm or 1.9 ha

2.4 + 1.9 = 4.3 ha

It is also important to ensure an additional margin in the supply of employment land so that businesses have a degree of flexibility in their locational choices,

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increasing the likelihood of a successful local outcome. The previous Northern Land Report applied a 20% margin to allow for flexibility of choice.

4.3 x 1.2 = 5.2 ha

B2 Industrial

Turnover allowance - 21ha

B8 Distribution

Net employment land requirement for 700 jobs.

700 x 1 job/77 sqm (regional distribution centre) = 53,900 sqm

53,900 sqm / 0.5 (plot ratio) = 107,800 sqm (10.8 ha)

Allowance for normal turnover (reduced to 5% to reflect turnover by smaller scale operators)

5,000 x 5% x 1job/77sqm / 0.5 = 3.9 ha

10.8 ha + 3.9 ha = 14.7 ha

Allow for choice (20%) = 17.6 ha

5. Summary

The total employment land requirement is therefore estimated as:

B1 – 5.2 ha

B2 – 21.0 ha

B8 – 17.6 ha

Total – 43.8 ha (44ha)

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