

Matter 5A/South East England Regional Assembly



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Matter 5A: Employment Land Policies

5A.1: Should the draft RSS include indicative employment growth targets or employment land/floorspace targets?

5A.2: Does the draft RSS provide appropriate guidance on the scale and location of employment land needed (Policy RE2 and sub-regional strategies)? Should strategic employment sites be identified (section D2, para 3.1)?

Employment Growth Targets

1. The sub-regional strategies identify employment figures for monitoring purposes. There is a need to plan positively for a reasonable level of economic growth throughout the South East whilst recognising the uncertainties relating to economic forecasting particularly over the longer term. Therefore employment figures are included in sub-regional strategies alongside a statement recognising the uncertainties and emphasising their inclusion for monitoring purposes only. Where provided, the employment figures in the sub-regional advice (submitted to the Assembly in December 2005) have been used. Where the sub-regions have not provided employment numbers the figure from the Experian Scenario 4 forecast for the Assembly have been used¹. Where the Experian forecasts have been used they have been provided for the period 2006 to 2016 recognising the uncertainties over the longer term.
2. The supporting text in the Plan for the sub-regions where the Experian forecasts have been used states that a further run of the forecasts will be commissioned following submission of the Plan to Government. It notes that the forecasts will incorporate the final district level housing distribution, and these will be considered for discussion and possible inclusion in the Plan at the EiP. These forecasts have now been undertaken and are referred to as Scenario 7. The table below summarises the figures included in the draft South East Plan and the figures from the scenario 7 run of the forecasts.

Sub-Region	Experian forecast included in draft South East Plan March 2006 Total Employment Count Increase in Jobs 2006-2016	Scenario 7 employment forecasts Total Employment Count Increase in Jobs 2006-2016
London Fringe	73,200	34,540
Western Corridor and Blackwater Valley	111,500	79,290
Central Oxfordshire	18,300	16,560
Gatwick Area	22,600	17,400

¹Technical Note 1 and Annex - http://www.southeast-ra.gov.uk/southeastplan/plan/march_2006/tech_notes/technical_note_1-economic_and_labour_demand_forecasting.pdf and http://www.southeast-ra.gov.uk/southeastplan/plan/march_2006/tech_notes/technical_note_1_annex-economic_and_labour_demand_forecasting.pdf

3. The revised forecasts (Scenario 7) incorporate the revised demographic data derived from the housing targets and district level housing distribution contained in the final draft South East Plan (i.e. a total of 28,900 dwelling pa as compared to 32,000 dwelling pa for scenario 4) and also incorporate the most recent base data available (updated from 2001 in Scenarios 1-6 to 2004 in Scenario 7).
4. The Scenario 7 forecasts show a reduction in employment growth at both the regional and sub-regional levels compared to Scenario 4. The Scenario 7 forecasts show that total employment in the South East is forecast to rise by 266,000 during the period 2006-2016 compared to 440,465 during the period 2006-2016 for Scenario 4. The difference in employment growth will be due to a number of factors including the revised demographics, the incorporation of the most recent base data and the uncertainties inherent in long term forecasting. The Assembly takes the view that the Scenario 4 figures should be replaced by the Scenario 7 figures in the relevant sub-region. The revised Scenario 7 figures should be incorporated in the sub-regional strategies as monitoring figures only.

Employment Land/Floorspace Targets and appropriate guidance on the scale and location of employment land needed and strategic employment sites

1. The sub-regional groups have provided broad locations for new employment generating development and in general terms draw conclusions on the scale, type and quality of future provision of land and premises including criteria for ensuring supply of such provision within the sub-region should be identified. In particular, this has been included to provide the framework in each sub-region for the preparation of local development documents and to inform the more detailed employment land reviews to be carried out by Local Planning Authorities (LPAs).
2. In the South Hampshire sub-regional strategy employment land targets have been included in policy SH6. The strategy in the sub-region is to realise the potential of the area to improve its sustainable economic performance through increased levels of development and therefore research was commissioned to develop a clear understanding of the key drivers of change in the economy and the means of achieving economic success in the future. This research specified the target for an increase in GVA per annum and the employment land targets for the South West and South East areas of the sub-region.
3. At a regional level, any research which compares forecast employment for the purposes of change/floorspace requirements to current supply of employment land identifying future need or specifying the portfolio of employment sites for development would not be helpful in the South East because:
 - There is only a limited relationship between employment change and land requirements;
 - The analysis could only be carried out for major employment sites at a regional level and therefore the forecast targets which emerge would be incomplete and potential misleading;

- There is a lack of detailed data and difficulties in defining the direction of the market and hence employment change over the longer term; and
 - Unlike in some other areas of the country there is not a widespread problem of large tracts of undeveloped and undevelopable land and the need for a policy specifying amounts of land to be developed.
4. There is a need to question the reasons for the identification of strategic employment sites in policy. The land use planning system only has limited influence over the development of strategic sites. In the regeneration areas we need to focus our implementation work on getting sites investor ready but cannot force the development of them. In those parts of the region where the economy is strongest there will be less need to address market failures and the policy should focus on the safeguarding of employment land in face of competing high value uses. The identification of broad locations and a criteria based approach provides the appropriate guidance in the RSS.
 5. However, to monitor and implement the policies and meet the Assembly's role in co-ordinating employment land reviews we can see the benefit of collecting information on strategic employment sites and providing further guidance on the scale and location of employment land needed.
 6. Since submitting the draft South East Plan the Assembly has set up an Employment Land Task Group to take forward work on co-ordinating employment land reviews and monitoring and implementation of policies. The group commissioned a study to audit ELRs across the South East and are exploring opportunities to commission a regional property market study to draw together existing information to provide a commercial property market perspective on employment land issues across the region. The audit showed that a greater degree of co-ordination between authorities carrying out ELRs and clarity on employment land issues across the South East region was needed. The property market study will help provide this co-ordination and clarity and the task group intend to provide advice to LPAs in 2007 on this.

5A.3: Does the draft RSS provide appropriate guidance to deliver regeneration in those areas that need it? How successful are the tools set out in Policy CC9 and RE5 likely to be in reducing intra regional disparities?

1. Economic and social data sets illustrate a clear distinction in the sub-regional pattern of socio-economic performance.² The most significant differentials can be observed between an extensive area of untapped economic potential along the south coast and eastern parts of the region (which is broadly consistent with the area covered by the sub-regions of Kent Thames Gateway, East Kent and Ashford, Sussex Coast, South Hampshire and the Isle of Wight Special Policy Area) and the economically strongest parts of the region (which are broadly consistent with the sub-regions of Milton Keynes and Aylesbury Vale, the

² See for example analysis contained within Review of Regional Economic Strategy 2006-2016: The Evidence Base (Interim Paper, November 2005).

Western Corridor and Blackwater Valley, Central Oxfordshire, the London Fringe and the Gatwick Area). Other, predominantly rural, parts of the South East outside the sub-regions are characterised by relatively strong socio-economic performance but with small scattered pockets of localised deprivation.

2. The South East Plan and recently revised Regional Economic Strategy have focused on the same spatial emphasis for regeneration and reducing intra-regional disparities. This will help ensure that a consistent and long-term approach is taken to tackling the needs and underlying issues.
3. The policy approach in CC9 and RE5, supplemented by SI, reinforces the different emphases in the sub-regional strategies reflecting the most extensive areas requiring regeneration, as well as the need to tackle smaller pockets of deprivation in these and other areas. It will be through a combination of local, sub-regional, regional and national action that the intra-regional disparities will be tackled over the long-term, and the Plan sets out a clear policy framework in which this can be delivered.

Policy CC9: Addressing Intra-Regional Disparities

4. Policy CC9 will ensure that tackling intra-regional disparities is taken forward as a key spatial planning issue. In doing so the policy advocates and enables coordinated and consistent intervention by a range of partners to address this objective. Securing the objectives of Policy CC9 will be dependent on the successful delivery of a wide range of policies in the Plan that address these objectives, as well as other regional and local strategies including the Regional Economic Strategy. The relevant policies in the Plan are identified in the supporting text, along with their specific contribution to delivering the objectives of CC9. This will help ensure that the broad package of policies contributes to the reduction of intra-regional disparities.

Policy RE5: Addressing Intra-Regional Economic Disparities

5. Policy RE5 draws on policy CC9 in outlining the spatial dimensions of economic performance and identifies the specific policy measures required to achieve a step change in economic performance along the coastal belt. It also provides guidance on the spatial policies needed to support the high performing sub-regions. The types of intervention proposed reflect the advice received from the principal authorities in developing the sub-regional strategies.