

Greater Nottingham Aligned Core Strategies Option for Consultation

Derivation of Office Employment Figures from Nottingham City Region Employment Land Study (2007 & 2009)

Purpose of Paper

The purpose of this paper is to explain the derivation of office employment figures set out in the Greater Nottingham Aligned Core Strategies 'Option for Consultation' Policy 4 (Feb 2010).

The paper only considers the change in office jobs, which it is acknowledged represent only part of all B-class uses, which in turn represent only about half of all jobs. In December 2009 a revised Planning Policy Statement, PPS4: "Planning for Sustainable Economic Growth" was issued by Government. The process described here is consistent with the guidance on offices issued alongside PPS4: "Planning for Town Centres: Practice guidance on need, impact and the sequential approach" (see Annex).

Scale of employment demand for offices

Employment demand for Greater Nottingham is informed by the update to the Roger Tym 'Nottingham City Region Employment Land Study' (NCRELS) report produced by them in 2007. The update accounted for the policy led housing numbers that form the basis of the approved East Midlands Regional Plan (2009) and the aligned Core Strategies¹, and thus contained a somewhat higher figure for office employment than that in the original study.

The update indicated that it may no longer be possible to deliver the necessary office floorspace on city centre brownfield sites. It therefore recommended a review of the opportunities around the city centre, and if insufficient sites could be identified, one or more large office park type developments would be required. It stated that there is scope for Stanton Regeneration Zone to absorb demand. However if this is not deliverable then the most appropriate alternative would be development within at least one major development as part of a larger mixed use housing allocation.

The two reports together indicated around 18,000 growth in office jobs² between 2003 to 2016, ie 1,385 pa. Projecting this annual growth rate forwards to the end

¹ Both reports are available on the Nottinghamshire County Council web site – www.nottinghamshire.gov.uk/regionalspatialstrategy.htm

² Since employment density ratios relate to total jobs, (counting each job as one whether full- or part-time), Roger Tym translated full-time equivalent (fte) forecasts into estimated total jobs. The total jobs understanding been used throughout this paper.

of the Core Strategy period indicates about 23,500 office job growth between 2009 and 2026. Given that employment projections are far from an exact science (even to 2016), a figure in the region of 23,500 should be regarded as an indicative minimum for Greater Nottingham.

Distribution of Employment between districts

The NCRELS Report gave the Consultants' view over the distribution of jobs around Greater Nottingham:

“Although our analysis analyses land demand and supply by local authority area, the discussion in this report focuses on the study area as a whole and broad subdivisions of it, rather than individual districts. This is partly because district-level forecasts are less robust, with wider margins of error. More important, much of the demand for employment space is footloose within the City Region, across local authority boundaries. Where businesses and jobs locate within the City Region is not just a function of the market; it will also depend on policy decisions about the location of land supply and infrastructure.”

The local authorities themselves have therefore proposed a distribution of the total Greater Nottingham figure around the council areas. This process has involved -

- Establishing a distribution of office based employment land provision between districts that takes into account land availability and policy objectives as well as the 'raw' demand forecast;
- Identifying key employment sites for future development/re-development for offices.

The table below gives illustrative distributions of the forecast growth in office jobs around Greater Nottingham on the basis of different approaches to apportioning a Greater Nottingham total.

The first column of figures is of jobs based on the office land supply identified by the local authorities. This gives an indication of the ability to meet job needs, but would not be appropriate as a basis for a distribution, because it does not take into account Plan-wide strategic requirements, it provides for far more jobs than the indicative minimum, and the local authority figures are not entirely consistent, in that some local authorities have taken a more conservative approach to what constitutes office supply than others. Also, it does not take account of possible future supply that is not currently identified.

Table: Examples showing distribution of office jobs around Greater Nottingham					
	Identified capacity for new office jobs ¹	Existing office jobs % applied to 2009-2026 ²	Housing growth % applied to 2009-2026 ³	Housing growth % adjusted by travel to work ⁴	Proposed distribution
Broxtowe	2,900	2,014	2,608	1,713	1,500
Erewash	5,100	1,453	2,683	2,313	2,000
Gedling	1,600	1,806	3,191	1,835	1,450
Nottingham	24,100	14,264	7,441	12,462	13,600
Rushcliffe	9,200	3,654	6,270	4,085	4,000
Hucknall	900	353	1,352	1,136	1,000
Greater Nottingham	43,700	23,544	23,545	23,544	23,550
Sources:			Total jobs (Full & Part-time)		
¹ 2009-26 Roger Tym and District Councils These figures will alter as sites are developed and identified in development plan documents (Rounded numbers; sum varies from correct total) ² NCRELS and 2009 ABI data ³ East Midlands RSS ⁴ East Midlands RSS and 2001 Census SWS data					

The second column of figures shows a distribution of jobs based on projecting forward the office jobs figures from NCRELS, assuming the existing (2008) proportions of office jobs by district are maintained into the future. This is a useful check, but does not take account of housing growth or employment potential.

The third column of figures shows a distribution based on the proportion of housing growth for each local authority.

The fourth column of figures is based on housing growth and also takes into account the proportions of jobs currently retained within local authorities, i.e. the numbers of jobs arising from housing growth reduced by the proportion of residents of that local authority who commute into Nottingham, to which those jobs (appr. 5,000) are added.

The final column is the proposed distribution of office jobs as set out in the aligned Core Strategies. This takes into account the housing growth (including whether the housing growth is planned to be accompanied by employment development), the current distribution of office jobs, travel to work and the future office supply. It also includes judgments about the role of town centres and the ongoing role of the City Centre etc. All figures are indicative minimum expected outcomes.

Many of these jobs are likely to be accommodated within existing buildings and current supply (incorporated into column 1 of the table above). The distribution proposed, however, allows for new office jobs at the locations mentioned in Policy 4, on sites which will be identified later in Site Specific Development Plan

Documents. These will also include sites to be identified and protected for non office based employment, such as manufacturing.

Distribution of Employment – District commentary

The main factors taken into account when arriving at each district's total are set out below:

- Broxtowe** The potential SUEs in Broxtowe do not have significant employment provision so Broxtowe's proportion of Greater Nottingham office employment may fall slightly. The potential around the Boots complex and the influence of the M1 as highlighted by the Tym study would indicate that this anticipated jobs figure may be exceeded on those sites, although this is less likely if there is success in attracting significant employment to Stanton in Erewash.
- Erewash** Employment within Stanton, potential of proximity to M1 would increase Erewash's current proportion of jobs. The fact that few office jobs exist at present, so that the district is starting from a low base, lowers the estimated office jobs total compared to a housing provision distribution. Also accounted for is the uncertainty of the scale of office job growth at Stanton, so this minimum figure may be exceeded.
- Gedling** The figure reflects employment opportunities at Gedling Colliery/Chase Farm and Teal Close where, while [development is not yet finalised, the sites may have fewer office jobs than the Greater Nottingham average, reflecting the percentage office employment in the borough. At Top Wighay the proximity of the M1 is likely to produce office employment more in line with the Tym study.](#) Elsewhere office development is likely to be limited. The figure also reflects the historic reliance that Gedling has on Nottingham City for jobs.
- Nottingham** The figure reflects the primary role of the City with a higher proportion of jobs than housing distribution and travel to work patterns would indicate, but a slightly lower proportion of office jobs than at present. This reflects a broader distribution of housing and employment around the HMA. The increased office-based nature of employment, employment provision in the SUEs and the potential of town centres is reflected in the minimum figure proposed.
- Rushcliffe** Significant new office employment based largely on the SUEs would retain the relatively large employment base in Rushcliffe.

Hucknall The proposed employment figure, which is based on SUEs and housing supply shows a substantial increase on the existing proportion of office jobs, although the identified supply of office land is a little less than this potential.

Monitoring

Monitoring of job and floorspace provision will continue and develop, so that progress as well as the accuracy of the forecasts in NCRELS can be maintained.

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Annex – Extract from Planning for Town Centres: Practice guidance on need, impact and the sequential approach

iv) Offices

- c.30 National policy advises that the need for new office floorspace over a development plan period should be assessed. At regional level this should involve forecasting future employment levels in order to inform the identification of broad locations where regionally significant office development may be located. Local need assessments for office floorspace should be informed by regional assessments in terms of the methodology and assumptions employed to assess the need and market demand for new office development and, where appropriate, identify suitable development opportunities in development plans.
- c.31 Guidance on assessing the need for office development set out in *Guide to Improving the Economic Evidence Base supporting Regional Economic and Spatial Strategies* (ODPM, September 2005).
- c.32 In relation to preparing development plans, important points to emphasise are:
- The need for regional planning bodies to take a lead in undertaking and co-ordinating regional and sub-regional analyses of office need – which can then be interpreted locally¹.
 - The need for consistency with the regional economic strategy.
 - The need to understand and take into account of market demand – which can best be achieved by involving the business community, alongside other key stakeholders, in assessing future land and property requirements².
- c.33 Qualitative considerations, and other wider Government objectives such as regeneration, will also have a key bearing when assessing office needs.

¹ See Employment Land Reviews: Guidance Note (ODPM, 2004), Paragraphs 5.9-5.12

² See Employment Land Reviews: Guidance Note (ODPM, 2004), Paragraphs 3.13-3.20