

# Ipswich Borough Council Local Plan Review

## Topic Paper: Economy

Evidence on the appropriate scale of employment growth for Ipswich Borough to 2036

January 2019 (regulation 18 stage preferred options consultation)



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## Introduction

### What the Council is doing

1. The Council is currently preparing a review of its adopted Core Strategy and Policies Development Plan Document (DPD) (February 2017) and Site Allocations and Policies DPD (February 2017). These documents form the Council's Local Plan, which guides future development in the Borough.
2. Draft preferred options versions of the two plans are due to be published for informal public consultation between 16<sup>th</sup> January – 13<sup>th</sup> March 2019, under regulation 18 of the Town and Country Planning (Local Planning) (England) Regulations 2012.
3. The Core Strategy and Policies DPD review (hereinafter referred to as the Core Strategy review) will replace the adopted Core Strategy and Policies DPD review when adopted (anticipated in late 2020).
4. The Site Allocations and Policies (incorporating IP-One Area Action Plan) DPD review (hereinafter referred to as the Site Allocations Plan) will replace the adopted Site Allocations Plan when adopted (anticipated in late 2020).
5. The Council is undertaking a public consultation on the Core Strategy review, the Site Allocations Plan and their supporting sustainability appraisal and appropriate assessment reports. The consultation period will run from Wednesday 16<sup>th</sup> January to Wednesday 13<sup>th</sup> March 2019 and further details can be found on the Council's website, [www.ipswich.gov.uk/consultations](http://www.ipswich.gov.uk/consultations), at the Council's offices at Grafton House and the Customer Services Centre at the Town Hall, or in the County Library on Northgate Street.

### National Policy Context

#### National Planning Policy Framework – Plan Making

6. The National Planning Policy Framework (NPPF) was introduced in March 2012 following the introduction of the Localism Act in November 2011. The NPPF was revised in July 2018, implementing reforms announced previously through the Housing White Paper, the 'Planning for the Right Homes in the Right Places' consultation and the draft revised NPPF consultation. The NPPF is national planning policy and Local Plan documents such as the Core Strategy must refer to the principles established in the document.
7. The NPPF states in paragraph 35 that Local Plans are examined to assess whether they have been prepared in accordance with legal and procedural requirements, and whether they are sound. Plans are deemed to be sound if they are; positively prepared, justified, effective and consistent with national policy.
8. The Duty to Cooperate was introduced through Section 110 of the Localism Act 2011 in November 2011. It is a legal duty on local planning authorities to cooperate constructively, actively and on an ongoing basis with neighbouring authorities, county councils and other prescribed bodies in planning for strategic, cross boundary matters. Paragraph 25 of the NPPF requires strategic policy-making authorities to collaborate and identify the relevant strategic matters which they need to address in their plans.

Ongoing joint-working is seen as critical to the production of positively prepared and justified strategies and helps to determine where additional infrastructure is necessary, and whether development needs than can't be met wholly within a particular plan area could be met elsewhere. To demonstrate this, paragraph 27 of the NPPF states that strategic policy-making authorities should prepare and maintain statements of common ground to document the cross-boundary matters being addressed and progress in cooperating to address these.

9. The NPPF makes clear that plans should apply a presumption in favour of sustainable development, meaning that plans should positively seek opportunities to meet the development needs of their, be flexible to adapt to rapid change and provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring areas. The exceptions to this are if assets or areas of particular importance provides a strong reasons for restricting development or any adverse impacts of doing so would significant and demonstrably outweigh the benefits, when assessed against the policies in the NPPF as a whole.

#### National Planning Policy Framework – Economic Development

10. Achieving sustainable development is the fundamental theme of the NPPF. Sustainable development is formed of three overarching objectives; economic, social and environmental. The economic strand (a) of paragraph 8 of the NPPF is of particular relevance as it states:

*“to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity; and by identifying and coordinating the provision of infrastructure.”*

11. In addition to this, the environmental objective (c) of sustainable development emphasises making effective use of land, minimising waste and pollution and moving to a low carbon economy.
12. Chapter six of the NPPF goes into greater detail about how planning policies and decisions should help to build a strong, competitive economy. It encourages planning policies to help create the conditions in which businesses can invest, expand and adapt, placing significant weight on supporting economic growth and productivity. Local areas should build on their strengths, counter weaknesses and address future challenges, with cross-reference to the Government's Industrial Strategy (2017).
13. Local Plans should have clear economic visions and strategies to encourage sustainable economic growth and seek to address potential barriers to investment (i.e. inadequate infrastructure, services, housing or poor environment). Criteria and/or strategic sites should be identified for local inward investment to meet anticipated needs over the plan period. However, whilst planning policies should have clear visions and strategies, a degree of flexibility needs to be applied to account for new and unforeseen working practices (such as live-work accommodation) that may not have been planned for.
14. Emphasis is also placed on the need to address specific locational requirements of different sectors, including making provision for clusters or networks of knowledge, data-

driven, creative and high-technology industries. Acknowledgement of the role of storage and distribution operations has been included under the 2018 NPPF.

15. The 2012 NPPF set a requirement for planning policies to avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose (paragraph 22). However, this reference within the economic development section of the NPPF has been removed as part of the revised 2018 NPPF. Instead the revised NPPF has a section (11) on making effective use of land which continues to set an expectation to avoid long-term protection of sites where there is no reasonable prospect of delivery, however, this is not exclusive to employment land. Section 11 also encourages proposals to use retail and employment land for homes in high-demand housing area, provided that this does not undermine key economic sectors or sites.
16. Elsewhere in the revised NPPF, reference has been made to the importance of providing adequate overnight lorry parking facilities in paragraph 107.

#### Government Industrial Strategy (2017): Building a Britain fit for the future

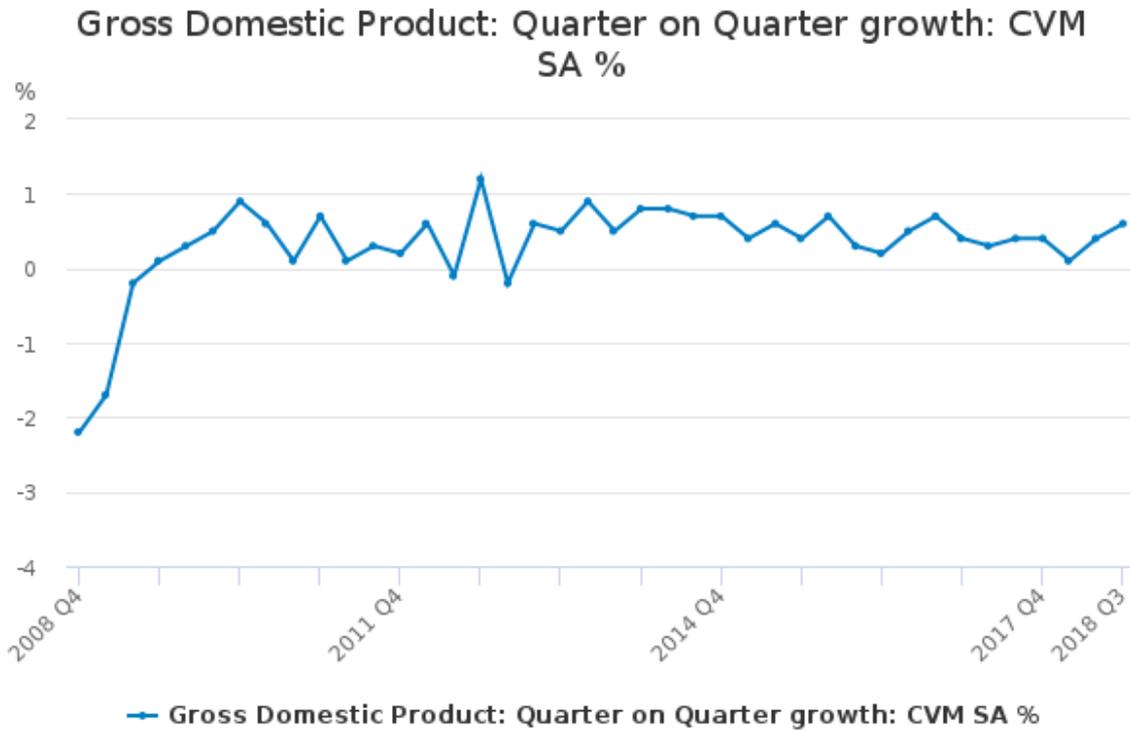
17. The Government's Industrial Strategy was published in November 2017 and sets out how the Government will help businesses create better, high paying jobs with investment in the skills, industries and infrastructure of the future. To achieve this, it places an emphasis on five foundations; ideas, people, infrastructure, business environment and places.
18. The strategy earmarks four industries which it plans the United Kingdom to be at the forefront of in the future; AI and data economy, clean growth, future of mobility and ageing society. To achieve this it sets out ambitions to:
  - Put the UK at the forefront of the artificial intelligence and data revolution;
  - Maximise the advantages for UK industry from the global shift to clean growth;
  - Become a world leader in shaping the future of mobility; and
  - Harness the power of innovation to help meet the needs of an ageing society
19. The strategy is to be delivered in tandem with the Government's 'Reducing Emissions from Road Transport: Road to Zero Strategy' (July 2018). This separate policy paper outlines new measures to clean up road transport and lead the world in the developing, manufacturing and using zero emission road vehicles.

#### National Economic Context

##### GDP, Employment and Earnings Overview

20. The financial crisis of the summer of 2007 and subsequent global recession between 2008 and 2010 remain in the recent memory of businesses and residents across the UK. The UK economy had benefited from 63 consecutive quarters of expansion up until April to June 2008, but then got smaller for five quarters in a row.

**Figure 1 UK GDP: Quarter on Quarter growth Chained Volume Measures (CVM) Seasonally Adjusted (SA)**



Source:

Source: ONS (2018) Quarterly National Accounts

21. It took the UK roughly five years to return to its pre-recession size. As of April 2018, it was found that the UK economy is now 11% bigger than its pre-recession size. In addition, by the end of 2015 unemployment rates had dropped below the pre-downturn rates, reaching a record low of 4.3% towards the end of 2017<sup>1</sup>. Notwithstanding the improvements to unemployment levels, real earnings have barely risen since the recession.
22. Unemployment rates have decreased significantly since the aftermath of the recession. At the end of 2011 unemployment was recorded at 8.5% but by the period of April – June 2018 the unemployment rate was 4%. This was the lowest recorded level since 1975<sup>2</sup>. Figure 2 below shows the UK unemployment rates from January to March 1971 to October 2018.

1

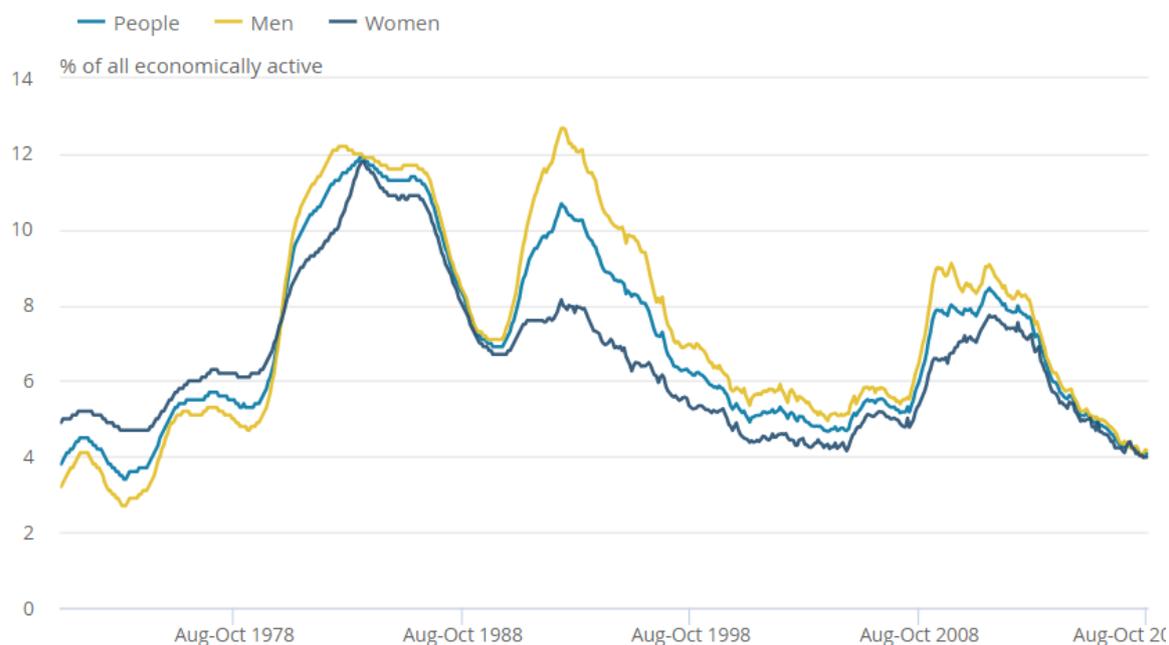
<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/december2018>

2

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/december2018>

Figure 2: UK unemployment rates (aged 16 years and over), seasonally adjusted

**January to March 1971 to August to October 2018**



**Source: Labour Force Survey, Office for National Statistics**

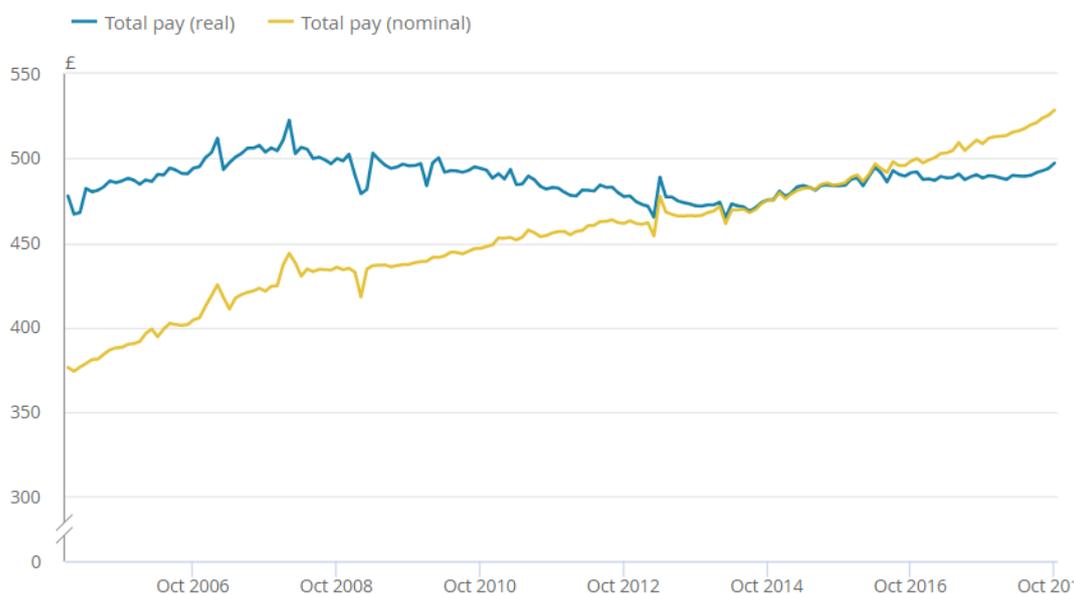
23. However, although unemployment levels are down, real pay has remained fairly stagnant since the end of 2008, with recorded real pay at 502.38 in December 2008 and 497.24 in October 2018<sup>3</sup>. Figure 3 below demonstrates that average weekly earnings from 2005 to 2018 in both nominal pay and real pay. Nominal pay is the amount of money received by a worker in the form of money, whereas real pay is designed as the amount of goods and services that a worker can purchase from their wages, taking into account inflation.

3

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/december2018>

Figure 3: Great Britain average weekly earnings including bonuses, seasonally adjusted

January 2005 to October 2018



Source: Monthly Wages and Salaries Survey, Office for National Statistics

24. Some experts predict that the economic outlook for the UK to 2019/2020 is one of moderate GDP growth of 1.5%. This is anticipated to be contributed by improving export performance, the continued easing of inflation (aiding consumer spending), and a gradual increase in investment spending<sup>45</sup>.

### Brexit

25. In June 2016, Britain held a referendum vote to determine whether Britain should leave the European Union (EU). The majority of voters decided that Britain should leave the EU. Economically, this had an immediate effect on markets, with the value of the pound falling by approximately 10% immediately after the result of the vote<sup>6</sup>. On 29 March 2017, the United Kingdom invoked Article 50 of the Treaty on European Union (EU) which began Britain's withdrawal from the EU with a scheduled date for withdrawal on 30 March 2019.

26. The EU and Britain have been drafting a deal on the terms of the withdrawal which includes decisions on issues such as the freedom of movement, trade deals and laws. The EU agreed the UK's Brexit deal on 25 November 2018 but it must go through the UK Parliament before a formal agreement on the deal with the EU can be made. As of the end of December 2018, the UK Government is yet to agree on a final version of the deal to be presented to the EU.

<sup>4</sup> <https://tradingeconomics.com/united-kingdom/forecast>

<sup>5</sup> <https://www.icaew.com/technical/economy/economic-insight/economic-forecast>

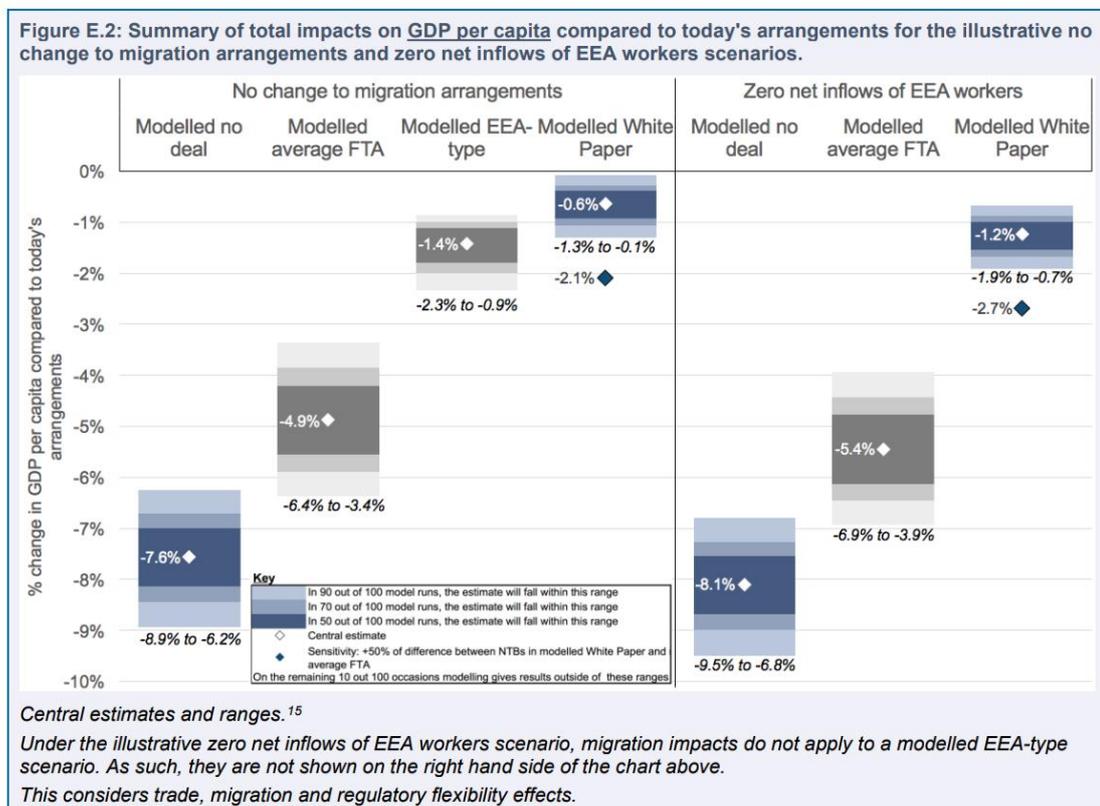
<sup>6</sup> <https://www.bbc.co.uk/news/business-36611512>

27. Analysis undertaken by the Treasury has assessed four different Brexit scenarios:

- Modelled White Paper (Deal agreed based on Chequers Plan);
- Modelled EEA-type arrangement (European Economic Area, often referred to as a 'Norway-style' agreement);
- Modelled average FTA arrangement (Free Trade Association, often referred to as a 'Canada-style' agreement); and
- No Deal

28. The Government's report 'EU Exit: Long-term Economic Analysis' (November 2018) highlights that all four scenarios are anticipated to have negative impacts on GDP.

Figure 4: EU Exit: Long-term economic analysis – November 2018

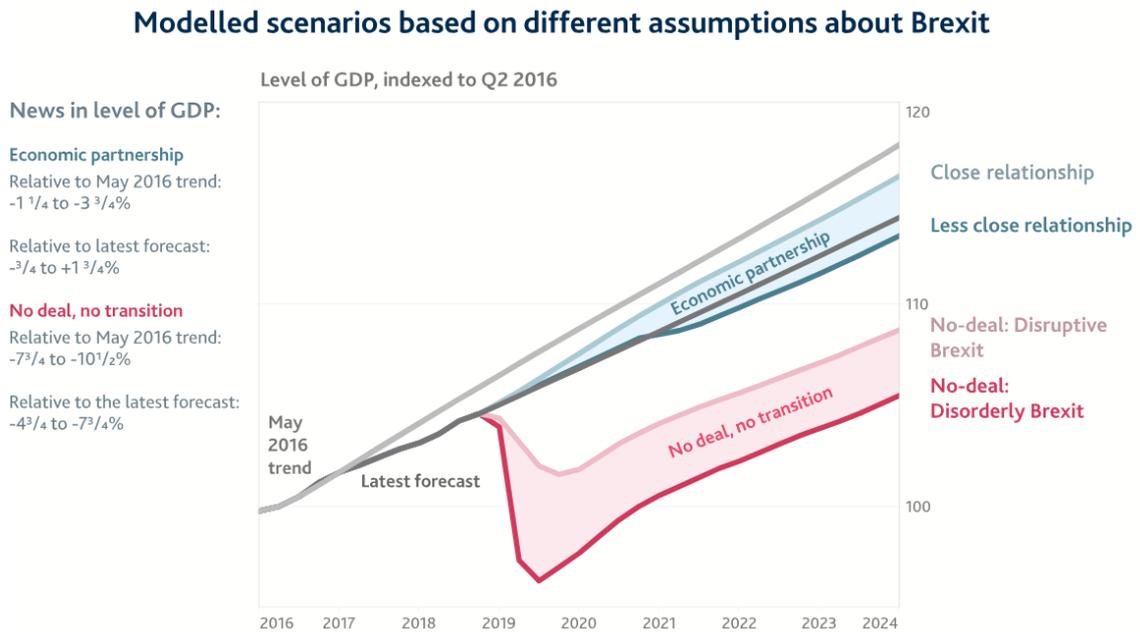


(Source: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/759762/28\\_November\\_EU\\_Exit\\_-\\_Long-term\\_economic\\_analysis.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/759762/28_November_EU_Exit_-_Long-term_economic_analysis.pdf))

29. In addition to the Treasury's report, the Bank of England has also tested 'worst-case' Brexit scenarios to provide an estimation of the impact of a no-deal Brexit. This document is titled "EU withdrawal scenarios and monetary financial stability" (November

2018)<sup>7</sup>. These worst-case scenarios are referred to as ‘disruptive’ and ‘disorderly’ Brexit scenarios. A graph showing the different scenarios is shown below:

Figure 5: Bank of England: UK GDP under difference scenarios – November 2018



(Source: <https://www.bankofengland.co.uk/report/2018/eu-withdrawal-scenarios-and-monetary-and-financial-stability>)

30. In the above no-deal scenarios, GDP is between 7.75% - 10.5% lower than the May 2016 trend by end-2023. Unemployment is predicted to rise by between 5.75% - 7.5% and inflation up by between 4.25% and 6.5%. Overall, it anticipates that Brexit in all forms would result in lower levels of GDP compared to no-Brexit.
31. However, it should be recognised that this scenario-testing is not technically a forecast and therefore it is not possible to definitively determine what the economic consequences of Brexit will be at this time.

Functional Economic Areas

32. The National Planning Practice Guidance (NPPG) advises that economic needs should be assessed in relation to the relevant functional economic market area. There is no standard approach to defining a functional economic market area but factors to consider include the extent of the Local Enterprise Partnership (LEP) area, travel to work areas, the housing market area, flows of goods and services, administrative areas and the transport network. Thus, the starting point for defining the Ipswich functional economic area is the extent of New Anglia LEP geography, which comprises Norfolk and Suffolk.

<sup>7</sup> <https://www.bankofengland.co.uk/-/media/boe/files/report/2018/eu-withdrawal-scenarios-and-monetary-and-financial-stability.pdf?la=en&hash=B5F6EDCDF90DCC10286FC0BC599D94CAB8735DFB>

33. Babergh, Mid Suffolk and Suffolk Coastal District Councils, and Ipswich Borough Council are using a working assumption that these administrative areas are a functional sub-area within the New Anglia LEP geography. This is based on the extent of the Ipswich Travel to Work area (as defined in 2007) and the degree of self-containment. Although there are some areas of overlap with adjacent Travel to Work Areas (Bury St Edmunds, Lowestoft & Beccles, and Norwich), most of the combined administrative area is covered by the Ipswich Travel to Work Area.
34. Based on the 2011 Census, some 84% of employed residents in the combined area also work in the area. This is only 2.9 percentage points lower than the containment of the current Travel to Work Area and 9 points more than the 2007 criteria for defining Travel to Work Areas. Therefore, this forms a coherent sub area of the wider New Anglia Local Enterprise Partnership geography and also coincides with the currently defined Ipswich Housing Market Area (SHMA 2017<sup>8</sup>).
35. Ipswich Borough Council, working jointly with the other authorities in the Ipswich functional economic area, commissioned Lichfields to prepare a series of assessments to present the current and emerging economic trends in the area.

#### Employment Land Needs Assessment – February 2016

36. An Employment Land Needs Assessment (ELNA) was prepared in February 2016 for the Ipswich functional economic area, looking at solely the needs for B-class economic development (B1 business, B2 general industrial and B8 storage and distribution uses). Its key outcomes are identifying objectively assessed employment needs and employment land requirements for the Ipswich Policy Area and Waveney, and the qualitative needs of business sectors such as barriers to investment, infrastructure requirements, locational preferences, access to markets and suppliers, workforce housing and commuting patterns.

#### Economic Area Sector Needs Assessment – September 2017

37. An Economic Area Sector Needs Assessment (ESNA) was published in September 2017 for the Ipswich functional economic area. This provides an assessment of the current and future growth potential of key sectors of the economy to understand how future economic growth and business needs in the functional economic area can be accommodated. It updates the Employment Land Needs Assessment in relation to future employment land requirements. The key economic sectors assessed are:
  - A. Agriculture;
  - B. Business and professional services;
  - C. Computing and technology;
  - D. Construction;
  - E. Education;
  - F. Energy, waste and utilities;
  - G. Health and care;
  - H. Hospitality and leisure;
  - I. Manufacturing;

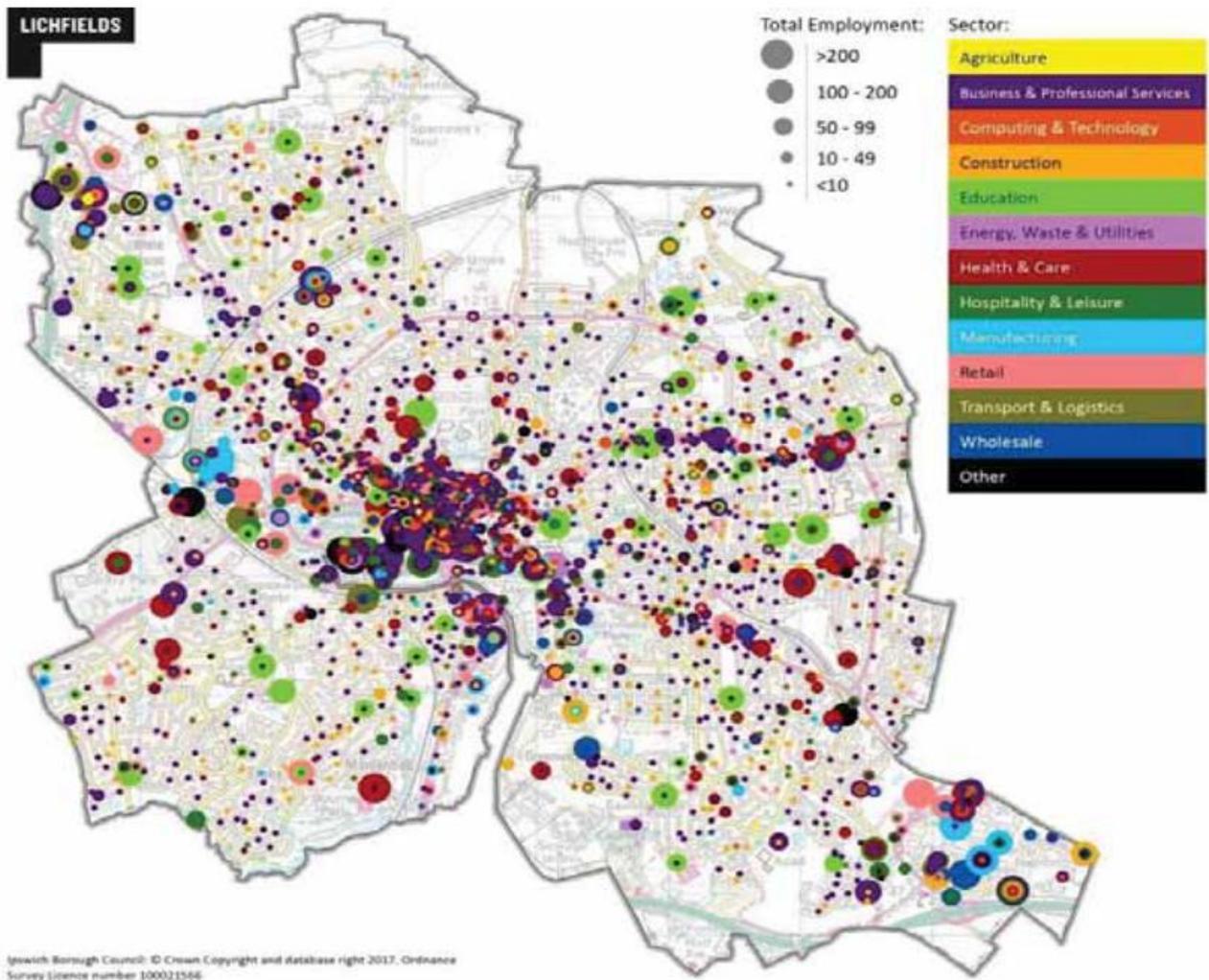
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<sup>8</sup> <https://www.ipswich.gov.uk/sites/default/files/ipswich-and-waveney-housing-market-areas-strategic-housing-market-assessment-part-1-may-2017.pdf>

- J. Retail;
- K. Transport and logistics; and
- L. Wholesale and distribution

38. The ESNA also maps the main employment sectors spread across Ipswich, as shown in figure 6 below, which is particularly useful for identifying clusters of activity, such as business and professional services (the purple circles) in the town centre.

Figure 6: Ipswich Employment By Sector



Source: Inter-Departmental Business Register (2016) / Lichfields analysis

Employment Land Supply Assessment – April 2018

39. The final assessment to inform the functional economic area of Ipswich was the Employment Land Supply Assessment (ELSA) that was completed in April 2018. The ELSA provides an assessment of the supply of employment land to enable the relevant authorities to plan for current and future employment requirements.

40. The findings and analysis of the above reports have been cited where appropriate throughout this topic paper.

### Current market for economic uses in Ipswich

#### Long term (historical trends)

41. Ipswich has experienced steady growth in job numbers between 2001 and 2016, equivalent to a change of +7.3% or 5,330 additional jobs. This is just under the average percentage of change for the Ipswich Economic Area and 2.6% below the wider New Anglia LEP area, as represented in table 1 below:

Table 1: Total Employment Change 2001 - 2016<sup>9</sup>

Table 2.2 Total Employment 2001-2016

Location	Total Employment (2016)	Absolute Change in Total Employment 2001-2016	% Change in Total Employment 2001-2016
Babergh	40,030	+3,150	+8.5%
Ipswich	78,830	+5,330	+7.3%
Mid Suffolk	45,190	+720	+1.6%
Suffolk Coastal	61,500	+7,250	+13.4%
<b>Ipswich Economic Area</b>	<b>225,500</b>	<b>+16,400</b>	<b>+7.9%</b>
<b>New Anglia LEP</b>	<b>792,870</b>	<b>+71,480</b>	<b>+9.9%</b>

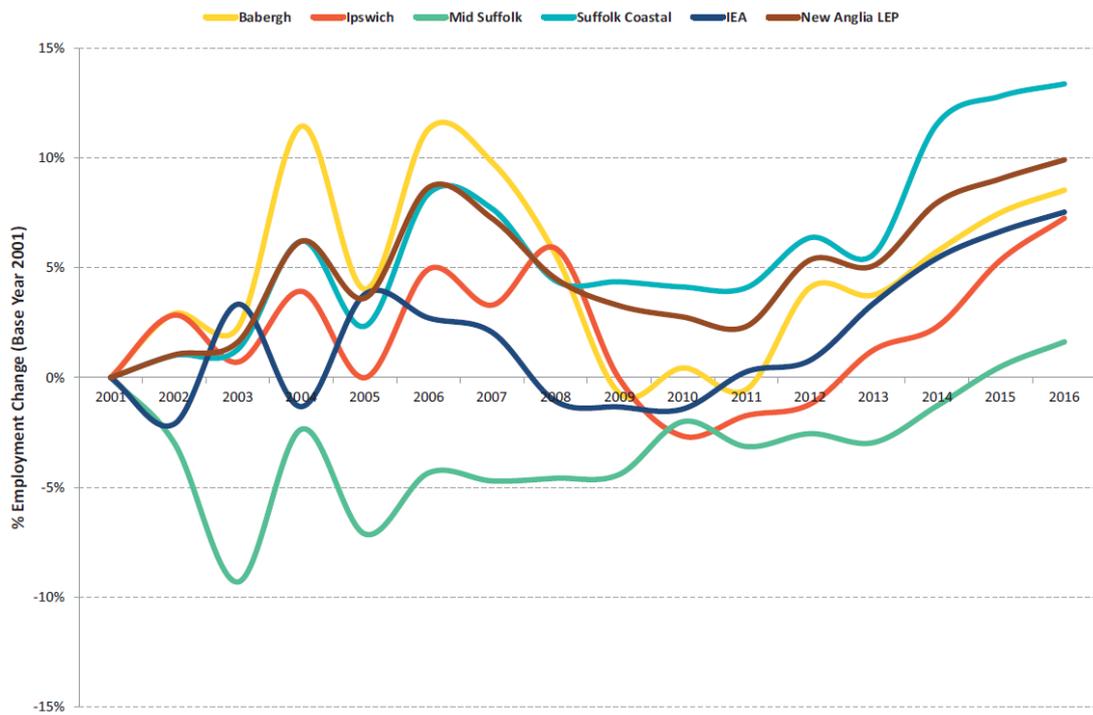
Source: East of England Forecasting Model (2016) / Lichfields analysis

42. However, whilst growth of jobs in Ipswich has broadly followed the amount of change experienced collectively in the Ipswich Economic Area, the journey from 2001 – 2016 for Ipswich was unique. The graph below demonstrates how Ipswich (red-line) suffered a relatively sharp and significant decline immediately following the recession of 2008 and experienced negative employment change between much of 2009 – 2012. The other authorities (excluding Mid Suffolk who have historically experienced negative employment change) were able to recover and maintain a positive employment change during the aftermath of the recession. This indicates that Ipswich, the only urban authority in the Ipswich Economic Area, is more vulnerable to macro-economic market forces than the other rural-based authorities.

<sup>9</sup> Ipswich Economic Area Sector Needs Assessment (September 2017). Lichfields.

Figure 7: Change in Total Employment by Area, 2001 - 2016<sup>10</sup>

Figure 2.3 Change in Total Employment by Area, 2001 – 2016 (2001 = 0%)



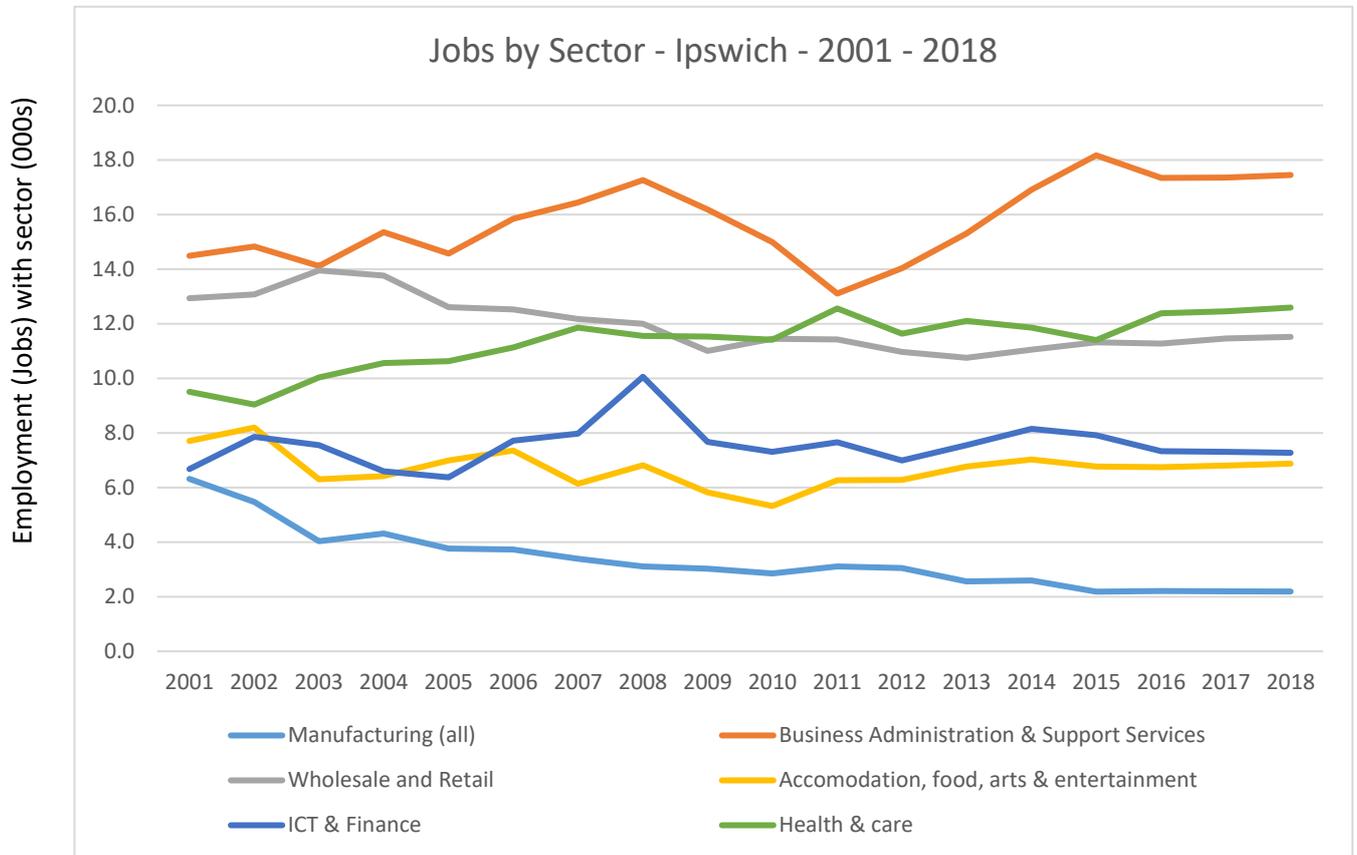
Source: East of England Forecasting Model (2016) / Lichfields analysis

43. In terms of the trend of certain sectors in Ipswich, there has been a continued pattern of declining manufacturing and rising business, administration and support services in the Borough, in line with national trends. The public sector has historically made up a considerable proportion of the jobs in the Borough, rising from approximately 26.8% of the total jobs in 2001 to 30.2% in 2018<sup>11</sup>.

<sup>10</sup> Ipswich Economic Area Sector Needs Assessment (September 2017). Lichfields.

<sup>11</sup> <https://cambridgeshireinsight.org.uk/eefm/>

Figure 8: Jobs by Sector in Ipswich 2001 – 2018



(Source: EEFM 2017 run based on ONS data)

44. The Suffolk Haven Gateway Employment Land Review 2009<sup>12</sup> describes the change that has occurred in the structure of the Ipswich economy over the last twenty-five years, away from a traditional reliance on large scale manufacturing, agricultural and port activity. It has seen substantial growth in tertiary sector activities (services), which now account for more than 80% of the total employment. Manufacturing meanwhile now accounts for a smaller proportion of employment than in the county or region.
45. The New Anglia LEP Economic Strategy<sup>13</sup> highlights the global economic assets of Ipswich, in particular Adastal Park which is home to BT’s Global Research and Development HQ, and, the Port of Ipswich which is the busiest grain export port in the UK. It should be noted however that Adastral Park is situated immediately to the east of Ipswich Borough’s boundary and is technically in the administration area of Suffolk Coastal District Council. On a local scale, Ipswich has and continues to benefit from a growing cluster of highly skilled finance, insurance and legal firms. Notable examples of this include Willis Towers Watson and AXA.

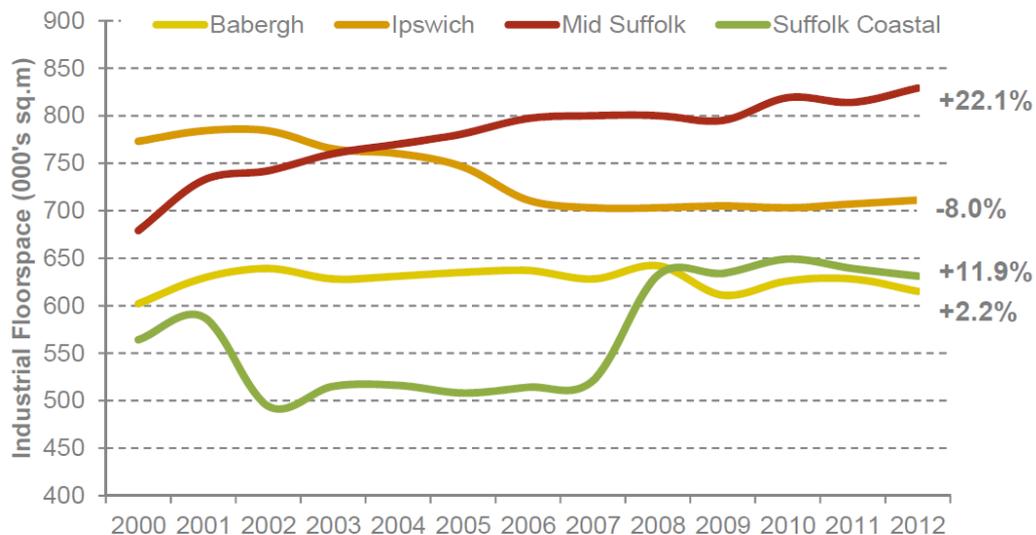
<sup>12</sup> <https://www.ipswich.gov.uk/content/suffolk-haven-gateway-employment-land-review>

<sup>13</sup> <https://newanglia.co.uk/wp-content/uploads/2017/10/New-Anglia-Economic-Strategic-Brochure-V3.pdf>

### Market Signals for land and premises

46. The Ipswich Economic Area is perceived as a good industrial location due to the transport links, supply of skilled labour and industrial heritage, particularly the presence of the Port of Felixstowe which is Britain's biggest and busiest container port and one of the largest in Europe.
47. The Ipswich and Waveney ELNA (2016) highlights how the main driver in the Ipswich Economic Area is for small to mid-sized units (typically ranging between 5,000sqft/465sqm and 20,000sqft/1,860sq). There is also consistent demand for small industrial premises to cater for start-up industrial units. However, there is limited demand for larger industrial units due to the limited motorway networks and distribution centres present in the immediate area. Warehouse and distribution occupiers tend to be based close to A roads within Mid Suffolk, Babergh and Suffolk Coastal districts.
48. Land supply for industrial development in Ipswich is particularly limited due to the built-up nature of the Borough and lack of space to accommodate new large developments. This is reflected in the fact that Ipswich was the only authority in the Ipswich Economic Area to experience a decline (-8%) in industrial floorspace from 2000 to 2012. This decline was double the reduction experienced in England as a whole (-4%) for the same period.

Figure 9: Change in Industrial Floorspace in the Ipswich Economic Area 2000 – 2012



Source: VOA Business Floorspace 2012

(Source: Ipswich and Waveney Employment Land Needs Assessment (2016))

49. However, whilst industrial floorspace has shrunk in the Borough, the level of office floorspace in Ipswich grew by 9.8% (28,000 sq.m) from 2000 – 2012. Although this increase as a percentage was less than the other authorities, the office stock of Ipswich remains far greater than the surrounding authorities in the Ipswich Economic Area as shown in table 2.

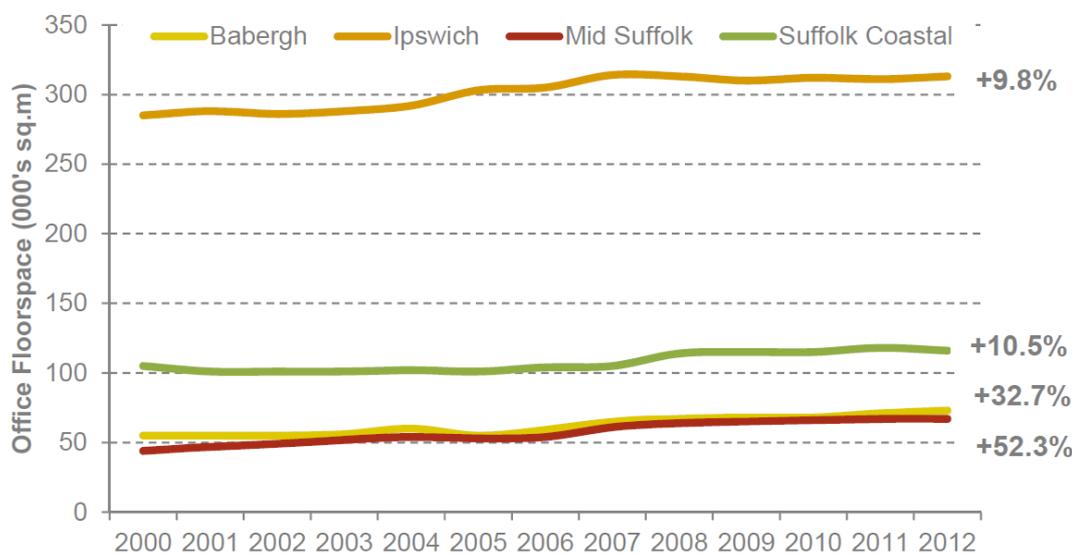
Table 2: Stock of floorspace in the Ipswich Economic Area in 2012

Local Authority	Total Office Space (Sq.m)	Total Industrial Space (Sq.m)	Total B Class Space (Sq.m)
Babergh	73,000	615,000	688,000
Ipswich	313,000	711,000	1,024,000
Mid Suffolk	67,000	829,000	778,000
Suffolk Coastal	116,000	631,000	747,000
<b>Ipswich Economic Area Total</b>	<b>569,000</b>	<b>2,786,000</b>	<b>3,355,000</b>

Source: VOA Business Floorspace 2012 (Note: Figures include vacant stock)

(Source: Ipswich and Waveney Employment Land Needs Assessment (2016))

Figure 10: Change in Office Floorspace in the Ipswich Economic Area 2000 – 2012



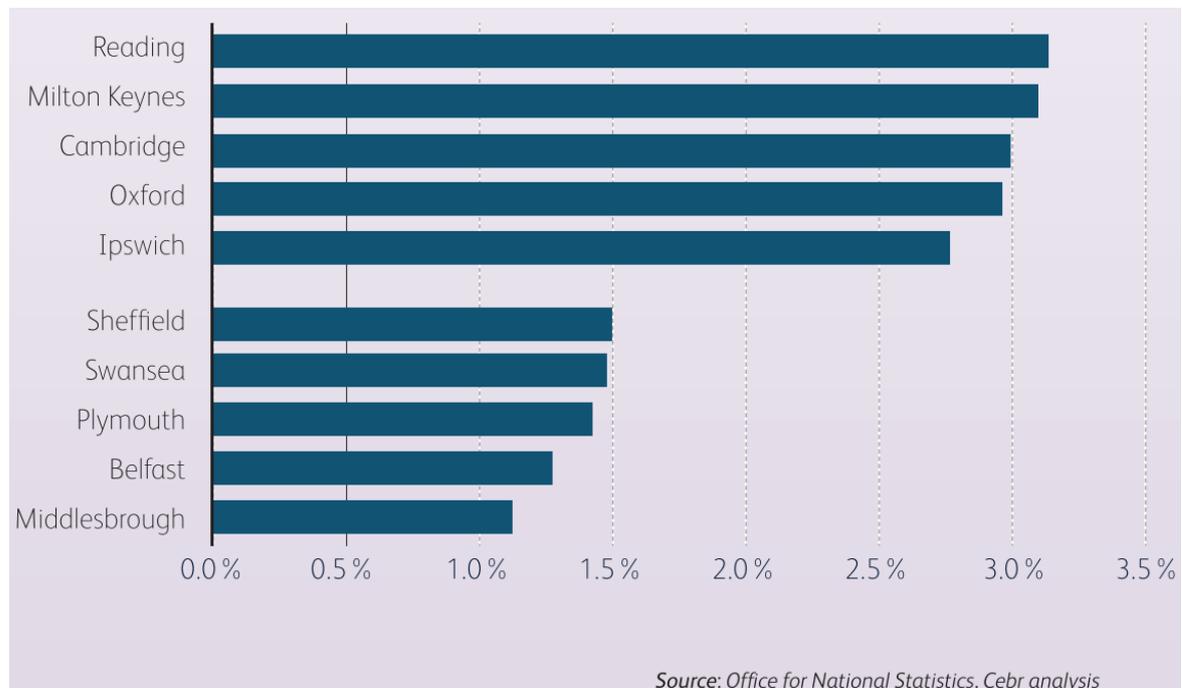
Source: VOA Business Floorspace 2012

(Source: Ipswich and Waveney Employment Land Needs Assessment (2016))

50. The New Anglia LEP recognises the strength of Ipswich’s office offering and has prioritised Ipswich as one of the priority locations for financial services and insurance, and, ICT, Tech and Digital Creative sectors to build upon this. The growth in the technology industry is also reflected in the fact that Ipswich was cited as the fifth fastest growing major centre in the UK in terms of GVA (Gross Value Added) year-on-year

growth in 2018<sup>14</sup>. The Powerhouse City Growth Tracker (Summer 2018) explains that this growth has been largely caused by improvements in the tech sector. The report also forecasts Ipswich to remain the top five of the league table rankings at the end of 2028.

Figure 11: Top and bottom five cities by annual GVA growth, Q2 2018



(Source: <https://www.irwinmitchell.com/ukpowerhouse/about>)

51. The creation of the Princes Street Enterprise Zone status as a key office corridor is evidence of this demand for office growth. This was identified as a location for ICT digital and professional services to grow and this is already beginning to take effect, notably through the move of Birketts head office into the area in 2018. The Princes Street Office Corridor project is also shared by Ipswich Vision who identify it as having supplementary benefits in connecting the town centre to the train station.
52. Rent values for industrial and office uses within Ipswich were found to be higher than that of settlements in the surrounding area. This is because suppliers typically require a premium for the location of Ipswich as the County town and main focus of Suffolk.

<sup>14</sup> <https://www.irwinmitchell.com/ukpowerhouse>

Table 3: Industrial & Office Rents in the Ipswich Economic Area (2015)

Location	Industrial		Offices	
	(£ / sqft)	(£ / sq.m)	(£ / sqft)	(£ / sq.m)
Ipswich Town Centre	n/a		7.00-13.00	75-140
Ipswich Out-of-Town Business Parks	4.50-6.00	50-65	13.00	140
Claydon/Great Blakenham	4.50-5.00	50-55	10.00	110
Felixstowe	4.50-5.00	50-55	8.00	85
Woodbridge	4.50-5.00	50-55	15.00	160
Stowmarket	4.00-5.00	45-55	8.00	85
Needham Market	4.00-5.00	45-55	8.00	85
Sudbury	2.50-5.00	25-55	10.00	110
Hadleigh	4.00-5.00	45-55	6.00-12.00	65-130
Martlesham Heath	n/a		7.00	75
Leiston	3.00-4.00	30-45	7.00-8.00	75-85

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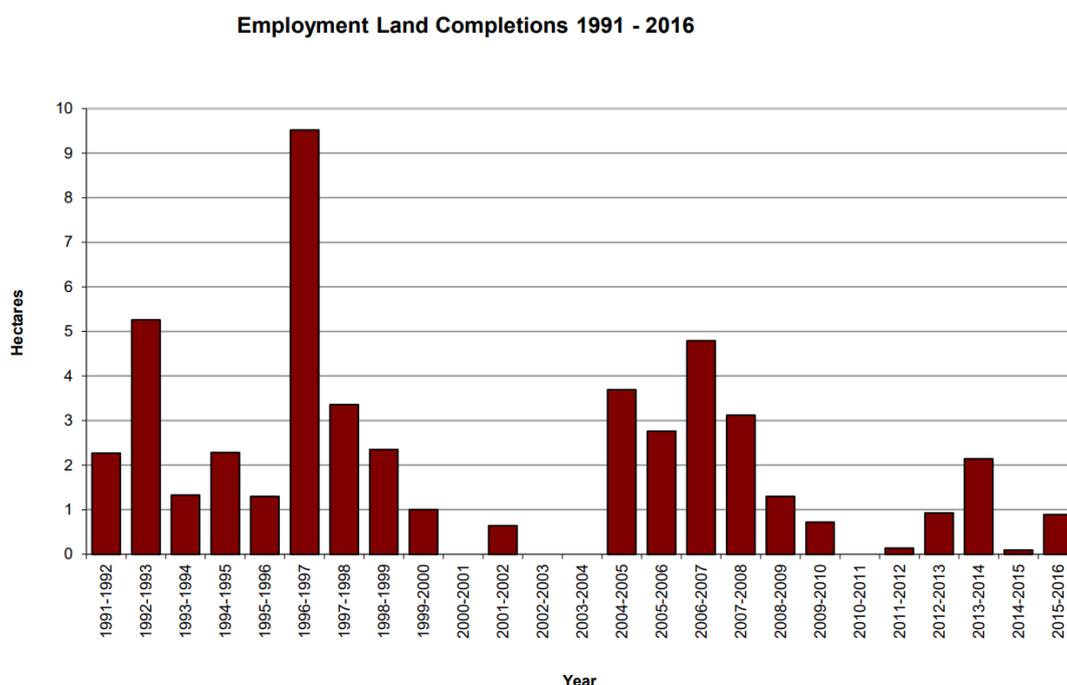
Source: Colliers Rents Map 2015 / EGi Property Link

(Source: Ipswich and Waveney Employment Land Needs Assessment (2016))

#### Recent development trends and current supply of land

53. In Ipswich, development completions for B1 Business, B2 General Industry and B8 Storage and Distribution on allocated and existing employment sites for the monitoring year April 2015 -March 2016 were 0.893ha, most of this being for the erection of a warehouse/ showroom on vacant land at Wentworth Road at Ransomes Europark (15/00041/FUL). Over the same period, land lost from employment uses amounts to 0.116ha, although none of this was inside employment areas or on allocated sites. Figure 12 shows total employment land completions in Ipswich from 1991 to 2016.

Figure 12: Employment Land Completions in Ipswich 1991 - 2016



(Source: Ipswich Borough Council Employment Land Availability Report (2017))

54. The total amount of employment land available recorded in the September 2017 Employment Land Availability Report (data collected in November/ December 2016) has decreased by 2.99ha to 70.4ha across the whole of Ipswich. It should be noted that the Employment Land Availability Report 2017 monitoring data relate to both the 1997 Ipswich Local Plan and 2017 Ipswich Local Plan Review land allocations and Employment Area designations. The total land supply consists of:

- 1.18ha with unimplemented planning permission outside Employment Area (sites over 100 sq.m);
- 20.98ha on allocated land in the Ipswich Local Plan 1997 (including 11.32ha at Land South of Bell Terminal, River Orwell)
- 48.24ha of vacant land within identified employment areas in the Ipswich Local Plan Review 2017 (including 16.47ha at Landseer Road / Sandyhill Lane; 7.95ha at the Drift/Leslie Road; and 8.77ha at Ransomes Europark).

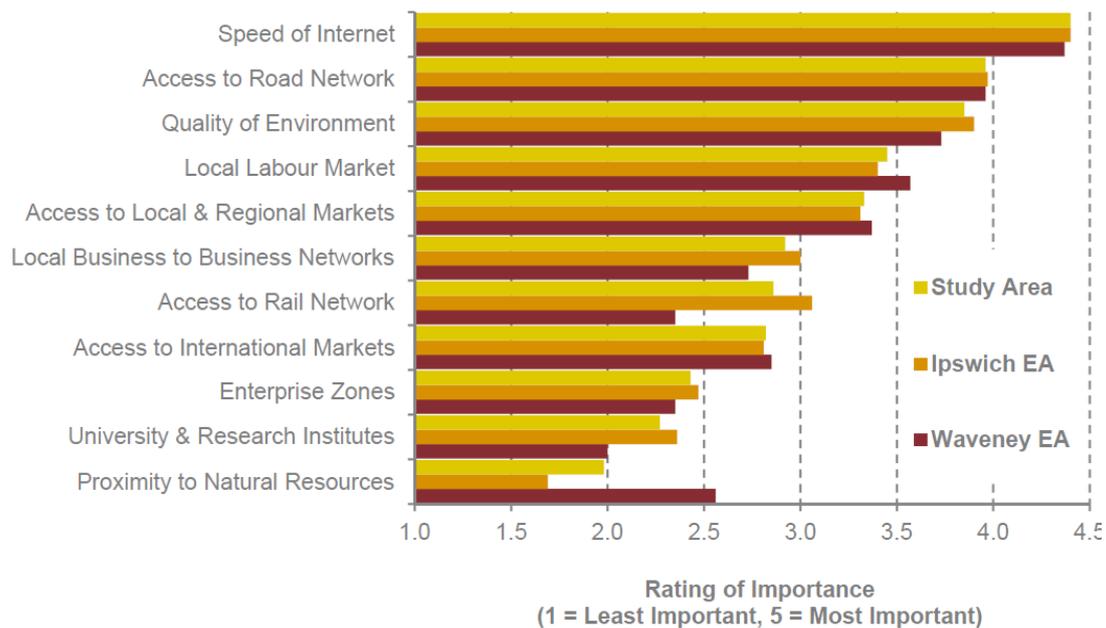
55. Planning permissions for employment sites (over 100 sq m) during the monitoring year 2015-16 amount to 6.64ha. The permissions include extensions and changes of use. The largest permissions in terms of site size are for Sui Generis uses within a defined Employment Area - 1.6ha and 1.25ha respectively for two new car showrooms at Ransomes Europark. There are permissions for seven new office units (B1a) and seven for other B1, B2 and B8 uses. There are no new outline planning permissions.

56. From mid-2001 to March 2016, average employment land completions were 1.41ha per annum. Figure 12 above shows completions over a longer period from 1991 and demonstrates the variable extent of employment development, which is affected by general economic conditions. A trend based estimate of employment land demand 2016 - 2036 would amount to 1.41 x 20 years or 28.2ha.
57. In terms of premises, the Council's Employment Land Availability Reports survey occupation in the Employment Areas annually. The 2017 report shows that vacancy within the Employment Areas (designated through the adopted Local Plan Review 2017) has reduced from 85 units in 2014-15 to 77 units in 2015-16, so that the occupancy rate during the 2015-16 monitoring period was 92.5% (up from 90.3%). The two Employment Areas with the lowest occupancy rates (below 81%) are the 'Ipswich Village' area and Landseer Road / Greenwich Close / Cliff Quay / Sandyhill Lane.

#### Feedback from Local Businesses

58. As part of the ELNA, businesses within the Ipswich Economic Area were surveyed. This included 27 respondents within Ipswich which equates to a 29% response rate of the businesses that were contacted. Of the businesses surveyed, the most common business types were financial and professional services (27%) and creative and digital (22%). Of the businesses surveyed 63% had been in the area for more than five years.
59. The majority (69%) operated within office or research space, with industrial space attributed to 20% of the premises and warehouse space 8%. Ownership of premises in the Ipswich Economic Area was 40%, with the remainder of premises occupied on a rent or lease basis.
60. The survey asked businesses to rate a number of key factors influencing their current and future choice in premises. The qualitative feedback in the Ipswich Economic Area indicated that equal weight was placed on the quality and cost of premises, with the provision of ICT the next priority after those two.
61. In terms of factors influencing the choice of location for the businesses surveyed, the speed of Internet was the primary consideration. In the Ipswich Economic Area, additional weight was given to access to rail networks, proximity to university and research institutions, Enterprise Zones, local business to business networks and quality of the local environment, compared with the study area as a whole.

Figure 13: Factors Influencing Choice in Location for Surveyed Businesses



Source: 2015 Suffolk Business Premises Survey / NLP analysis

(Source: Ipswich and Waveney Economic Land Needs Assessment (2016))

- 62. The majority (72.1%) of respondents in the Ipswich Economic Area were satisfied with the size of their premises.
- 63. There was some difficulty reported in finding suitable premises in the Ipswich Economic Area (40%). The lack of affordable business premises (both office and industrial), availability of modern, quality premises that are purpose-built to meet future business requirements, high rents and rates and limited on-site car parking were referred to as the key difficulties encountered in the Ipswich Economic Area.

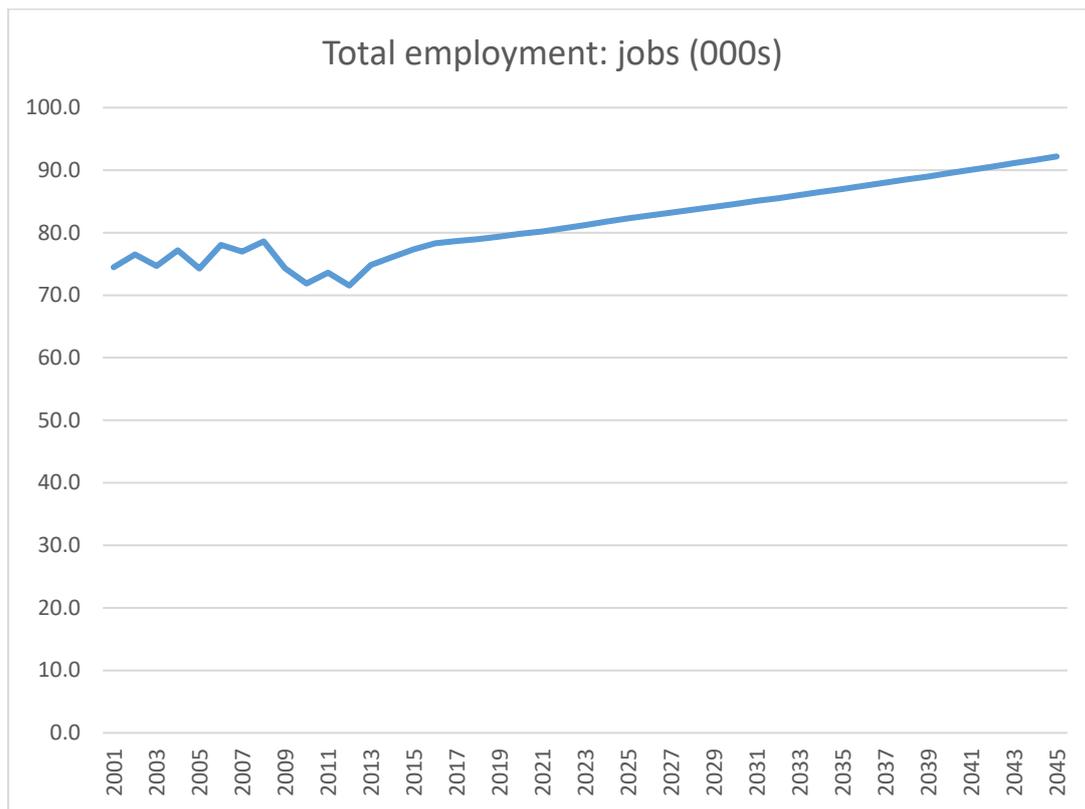
### Employment Forecasts

#### Forecasting Results

- 64. The number of jobs which exist in an area is measured through the UK Business Register and Employment Survey (BRES), which is the official source of employee and employment estimates by detailed geography and industry recommended by the Office for National Statistics (ONS). The survey is a sample of approximately 80,000 businesses which is then weighted to represent all sectors. This process results in estimates that are of better quality at higher levels of geography (e.g. a region) and lower quality as the geographies and concentration of businesses get smaller (e.g. rural districts).
- 65. The East of England Forecasting Model (EEFM) uses the BRES data and, using international, national, regional and local trends, forecasts jobs for the eastern region and its constituent local authority areas. Baseline forecasts for districts and other areas within the east and south east of England are produced each year (known as runs)

which are based on updated information. Figure 14 below shows the EEFM baseline forecast published in August 2017 (last updated on 26/09/2018), based on BRES survey and ONS Workforce Jobs data up to 2015 and then forecasts to 2045. Additional forecast political assumptions on Brexit were also factored and these were formulated between April – May 2017<sup>15</sup>. Figure 14 below shows the EEFM baseline forecast for Ipswich.

Figure 14: Number of jobs in Ipswich 2001 – 2045



(Source: East of England Forecasting Model Baseline Run 2017)

66. The 2017 EEFM baseline forecast estimates that Ipswich had 78,300 jobs at 2016 and that this will rise by 4,400 to 82,700 by 2026 and by 9,200 to 87,500 by 2036. Each annual model run produces slightly different figures in response to changing trends in jobs locally, and the national and regional forecasts that are factored in. The 2016 EEFM baseline run forecast jobs growth of 15,400 from 2016 to 2036. The 2014 baseline run published in mid-January 2015 indicates growth of 12,400 jobs between 2011 and 2031, from 73,400 to 85,800. The 2014 EEFM did not cover the period up to 2036.
67. The baseline 2016 EEFM has been used to inform the Core Strategy review as the most appropriate, up to date, modelled information available. This is because this data was used in the 2017 ESNA which is being used by all four of the authorities that make up the Ipswich Economic Area in the preparation of Local Plans. Under the Duty to Cooperate, Ipswich Borough Council, Babergh, Mid Suffolk and Suffolk Coastal District

<sup>15</sup> [http://atlas.cambridgeshire.gov.uk/EEFM/EEFM\\_2017\\_UK\\_forecast\\_assumptions\\_August2017.pdf](http://atlas.cambridgeshire.gov.uk/EEFM/EEFM_2017_UK_forecast_assumptions_August2017.pdf)

Councils are preparing aligned local plans to cover the period to 2036. Collectively this alignment is known as the Ipswich Strategic Planning Area and aims to ensure that strategic planning matters, including economic and housing growth, are planned strategically. Consequently, the 2016 EEFM is considered to be the most appropriate evidence to use in plan-making for all authorities. The results of the 2016 EEFM presented by the 2017 ESNA is shown below:

Table 4: Baseline Total Jobs Growth for the Ipswich Economic Area - 2014 – 2036

Table 3.1 Baseline Total Jobs Growth

Location	Total Number of Jobs		Change 2014-36	
	2014	2036	No	%
Babergh	39,005	42,645	3,640	9.3
Ipswich	75,195	94,235	19,040	25.3
Mid Suffolk	43,895	50,345	6,450	14.7
Suffolk Coastal	60,510	68,450	7,940	13.1
<b>Ipswich Economic Area</b>	<b>218,605</b>	<b>255,675</b>	<b>37,070</b>	<b>17.0</b>

Source: EEFM (2016) / Lichfields analysis

Note: figures rounded

68. The job growth outlined in the table above covers the period of 2014 to 2036 and equates to an average annual job growth of 865 jobs per annum (19,040 jobs / 22 years). The draft Ipswich Local Plan Review, which is published for public consultation from January – March 2019, covers the planning period of 2018 to 2036. Therefore, the baseline jobs growth has been adjusted to cover the slightly shorter period of 2018 to 2036 (865 jobs per annum x 18 years) and this is demonstrated in table 5 below:

Table 5: Baseline jobs growth for the Ipswich Economic Area - 2018 - 2036

Location	Baseline jobs growth (2018-2036)
Babergh	2,970
Ipswich	15,580
Mid Suffolk	5,270
Suffolk Coastal	6,500
IFEA	30,320

69. Draft Core Strategy review policy CS13 sets a target of encouraging approximately 15,580 jobs in the Borough between 2018 and 2036. This reflects the EEFM forecast, the Borough's Economic Development Strategy, the Suffolk Growth Strategy and the New Anglia LEP Economic Strategy for Norfolk and Suffolk.

70. The EEFM provides a more detailed breakdown of its jobs forecast for 2036 by sector. Significant sectors which are forecast to shrink over the period include utilities and publishing and broadcasting. Finance and manufacturing technologies are anticipated to remain the same over the plan period. The majority of the other sectors show continued forecast growth in employment. Health & Care, Retail and Education continue to be the three largest employers over the plan period.

71. The sectors forecast to grow the most in terms of job numbers are accommodation and food services (48%), construction (44%), business services (38%), employment activities (37%) and public administration (34%). The growth sectors identified by the model correspond to a wide range of planning land use classes, including A1 retail, A2 financial and professional services, A3 restaurants, B1a office uses, B8 distribution, C1 hotels, C2 residential institutions e.g. hospitals and care homes, and D2 assembly and leisure. The B class uses only form one part of an overall jobs delivery strategy.

#### Strategy for Delivery

72. The Draft Local Plan Review sets out an approach to land use to support the delivery of the jobs target. Draft Core Strategy Review policy CS13 states the aim to encourage the provision of approximately 15,580 jobs within the Borough to 2036, based on the adjusted baseline forecasts from the EEFM 2016.

73. The delivery of economic growth will be supported through a range of actions, which include the following:

- Allocating over 28ha of land for B class uses (B1 business, B2 general industry and B8 storage and distribution) (policies CS13, SP5);
- Allocating sites in a range of locations around the Borough – within Mid, North West, South and South East Ipswich (policy SP5 and policies maps);
- Allocating sites with a range of sizes and as single use or mixed use sites (policy SP5);
- Protecting Employment Areas (policy DM32 and policies maps);
- Allocating land for other employment-generating uses including education, leisure, tourism and hospitality, and retail (see retail and town centre topic paper for further information);
- Safeguarding land in the Education Quarter for education and ancillary uses, which could include spin-off businesses (policy SP12).

74. Policy SP5 of the Site Allocations Plan allocates 32.2ha of land for employment uses (in use classes B1 business, B2 general industry or B8 storage and distribution). Approximately 4.85ha of this is as part of mixed use developments within the IP-One area.

75. The 28ha figure in CS13 also takes account of the employment land capacity within the Borough. The Employment Land Supply Assessment has informed the Strategic Housing and Employment Land Availability Assessment. As a result, some land previously allocated or protected for employment uses has been re-allocated to residential or mixed uses through the Local Plan Review.

76. The Employment Sector Needs Assessment identifies a need for 28.3ha of employment land in Ipswich 2014 to 2036. A pro rata adjustment to update the baseline date to 2018 results in a calculation of 23.2ha. Nevertheless, in the interest of ensuring a range and choice of sites across the Borough and the plan period, the figure of 28ha is retained in the policy.

77. Development in other sectors will also have a role in jobs growth, including new retail and leisure developments on sites allocated through the Site Allocations Plan. These are referred to in clause c. of policy CS13: 'allocating land for other employment-

generating uses including education, leisure, tourism and hospitality, and retail, through the Site Allocations and Policies (incorporating IP-One Area Action Plan) development plan document.’

78. There are some jobs which have a less direct relationship with land, particularly land specifically identified for employment uses. In particular, working from home is an example of where jobs are created from sources of land other than identified employment land. The Census shows that the number of people of working age working mainly from or at home in Ipswich in 2011 was 2,216. To support this growing trend, new development management policy DM33 ‘Delivery and Expansion of Digital Communications Networks’ has been introduced to ensure that residents have access to superfast broadband.
79. The New Anglia Local Enterprise Partnership (NALEP) promotes economic growth across the area of Norfolk and Suffolk. It published the ‘Economic Strategy for Norfolk and Suffolk’<sup>16</sup> in 2017 following on from its ‘Strategic Economic Plan’ in 2014. It identifies the key economic sectors in Norfolk and Suffolk as follows:
- advanced manufacturing and engineering;
  - energy;
  - information and communication technology, tech and digital creative;
  - financial services and insurance;
  - Advanced agriculture food and drink;
  - transport, freight and logistics;
  - life sciences and biotech;
  - visitor economy – tourism and culture; and
  - construction and development.
80. It identifies a series of ‘priority themes’ where investment and action will be focussed to maximise impact and achieve the ambitions and targets of the NALEP:
- ‘Our Offer to the World’ – Improving and communicating a clear ambitious offer to the world to attract people, investors and businesses of the future. Measures to achieve this include; integrating inward investment; attracting highly skilled people; highlight the unique contribution of the energy sector; build the right kind of housing and commercial space and use new retail improvement to improve connectivity (E.g. Ipswich to London in under 60 minutes).;
  - ‘Driving Business Growth and Productivity’ – The aim of this is to increase investment; drive productivity; help existing firms move into new markets and products. Measures to achieve this include; Enabling small-medium enterprises to grow and increase exports; prioritising digital and physical infrastructure projects, provide improved access to finance and assisting business capability in identifying skills deficits; and establishing new centres of excellence to improve productivity and innovation.;
  - ‘Driving Inclusion and Skills’ – Raising skills levels and helping young people set their ambitions high – Measures to achieve this include; Develop an integrated skills offer for businesses across Norfolk and Suffolk; prioritise capital investment on provision that will deliver the future skills needed; deliver the Youth Pledge for all young people; and working with the Government to establish an Institute of Technology;

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<sup>16</sup> <https://newanglia.co.uk/our-economic-strategy/>

- ‘Collaborating to Grow’ – Collaborating with other sectors and places will help deliver opportunities – This focusses on working with other sectors, between public and private sectors, and with other regions, such as the Greater Cambridge LEP, to identify opportunities for joint investment in overlapping areas.
- ‘Competitive Clusters Close to Global Centres’ – This theme seeks to cluster identified business sectors together to establish wider links, encourage new investment and support further growth; The clusters are; Clean Energy, Financial Services and Insurance, ICT Tech and Digital Creative, and Life Sciences and Biotech

81. The NALP Economic Strategy also highlights ‘priority places’ where the above actions are to be focussed. These are:

- Ipswich;
- Norwich and Greater Norwich;
- Norfolk and Suffolk Energy Coast;
- Cambridge – Norwich Corridor;
- East – West Corridors (A14 & A47 Corridors); and
- Kings Lynn

82. As a priority place, Ipswich is considered to be a place of huge potential growth. This is due to its close proximity to London and the financial powerhouse at Liverpool Street Station, its pace of urban growth as one of the fastest growing urban areas in the UK, and, its existing assets including the nearby Felixstowe Port and Martlesham Heath in Suffolk Coastal District. Securing this potential is cited as a “major priority” in the strategy.

83. In terms of emerging sectors, the strategy refers to the significant cluster of finance, insurance and legal firms, as well as the growing independent arts, heritage and cultural scene. To help deliver this, the economic strategy proposes the following:

- To bring forward projects that will further enhance the town’s offer and the successful growth of the Waterfront area;
- A new rail franchise to improve journey reliability, frequency and provide state of the art rolling stock with full high speed wifi connectivity;
- Work towards securing the northern relief road and improvements to the A14 and A12.

84. Further information on these sectors may be found in the Ipswich Economic Strategy 2013 (Chapter 5)<sup>20</sup>. They are also the most significant employers in Ipswich. The town exceeds the regional and national averages for employment in arts and entertainment, transport, finance, business, public administration, retail, employment activities, health and education. The sectors which have below the national average rate of representation in Ipswich include manufacturing, construction, hotels and restaurants, professional services, real estate, IT, wholesale and telecoms.<sup>17</sup> However, the Council considers that additional sectors have the potential to grow, including energy, ICT and creative and tourism.

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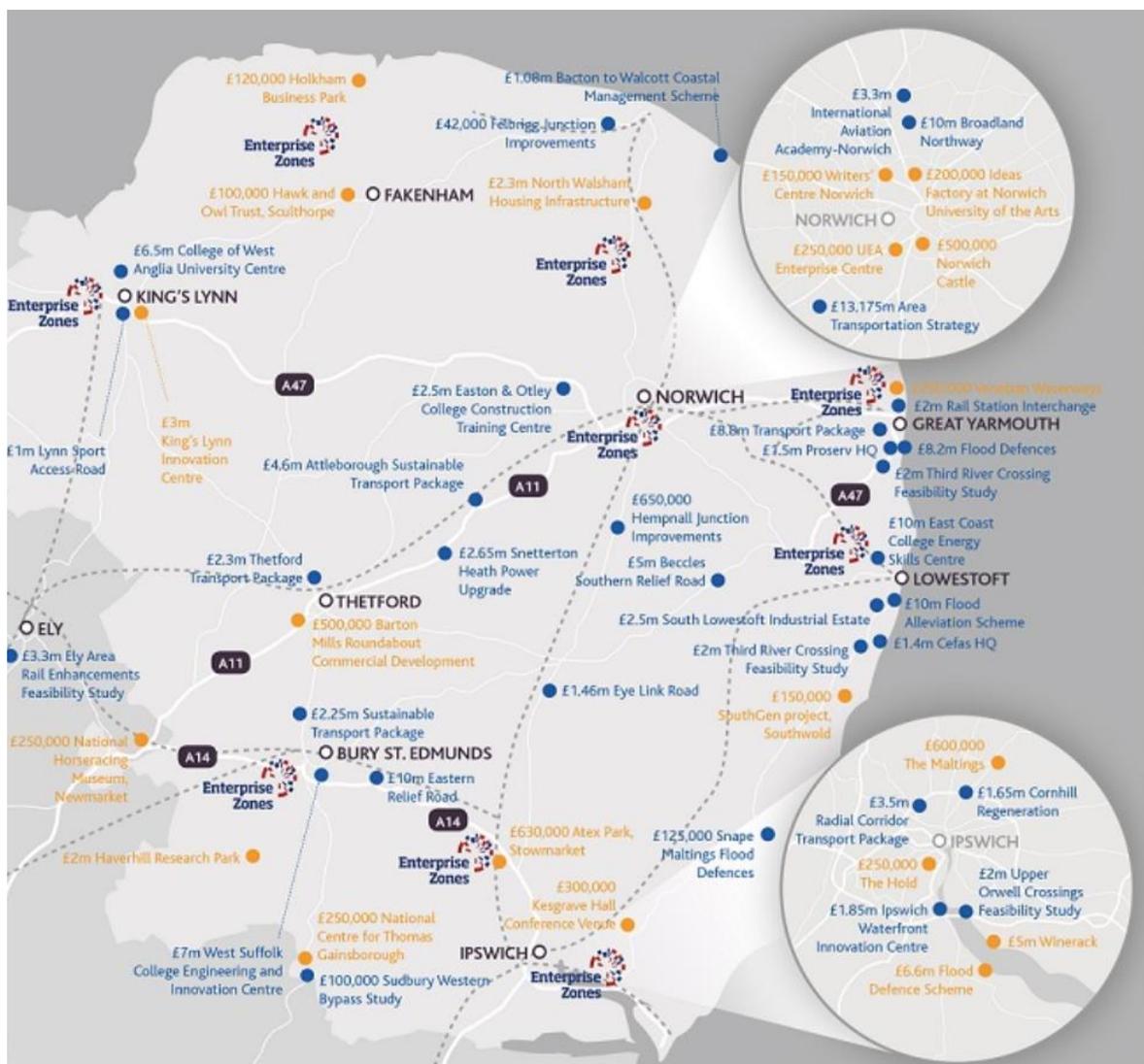
<sup>17</sup> East of England Forecast Model Data (2016): <https://cambridgeshireinsight.org.uk/eefm/>

85. The NALEP has secured the following funding<sup>18</sup> for the LEP area:

- HM Government - £290m Growth Deal to create jobs, boost skills and improve infrastructure;
- Growing Places Fund - £30m Grants and loan funding to support 23 major infrastructure projects;
- Growing Business Fund – Over £20m grants to 214 businesses;
- Small Grant Scheme - £5.3m grants to 420 businesses;

86. This funding has been used to support a wide range of projects across the LEP area, as demonstrated in the investment map below:

NALEP: Investment Map (Last Updated December 2018)



87. In terms of Ipswich specifically, the following financial investments have been provided:

Growth Deals:

<sup>18</sup> <https://newanglia.co.uk/our-investment-map/>

- £3.5m – Ipswich Transport Package;
- £1.85m – Ipswich Waterfront Innovation Centre;
- £1.6m – Cornhill Regeneration; and
- £2m – Upper Orwell Crossing Feasibility Study;

Growing Places Fund:

- £5m – Regatta Quay;
- £6.6m – Flood Defence Scheme;
- £600k – The Maltings; and
- £250k – The Hold

88. In addition to funding, the NALEP has helped to deliver four enterprise zones in and around Ipswich:

- Futura Business Park - a 10 hectare site to the east of the town served by new infrastructure and close links to the A14
- Princes Street Office District – a 2.9 hectare office corridor which connects the railway station with the town centre and will focus on ICT, digital and professional services businesses.
- Waterfront Island – two hectares of port land separating the Wet Dock from the tidal river with part of the Island given Enterprise Zone designation
- Sproughton Enterprise Park – a 14-hectare site on the edge of Ipswich, owned by the Borough Council.

89. The Suffolk Growth Strategy, which is a joint project between the County Council and Suffolk Districts and Boroughs, including Ipswich Borough Council, identifies the same sectors as being key to future growth in Suffolk. A delivery plan is currently being developed to set investment priorities, the principal activities to be undertaken and the key targets to be achieved. As well as guiding the work of the local authorities, it is used as a lobbying document and a prospectus for the County. Groups such as the Suffolk Leaders' Board and Suffolk Growth Group are taking it forward. The Suffolk Growth Group has identified five areas for future work including projects around skills and inward investment, with a focus on bringing sites forward.

90. The draft implementation plan for the Ipswich Economic Strategy, September 2013<sup>19</sup>, identifies actions the Council is taking or will take to support the Ipswich economy. Activities include setting up a Jobs and Skills fund which covers capital and revenue spending, implementing the City Deal to address skills shortages, and working to attract inward investment.

91. Ipswich Vision has a strategy for inward investment<sup>20</sup>. This includes six key ideas to develop and promote inward investment projects and campaigns:

- A pilot scheme for a digital high street;
- Publish a residential development strategy for 2,000 new homes;
- Establish a new centre for innovation on Ipswich's Waterfront;
- Publish a strategy for markets;

<sup>19</sup> <https://democracy.ipswich.gov.uk/ielssueDetails.aspx?Ild=3164&PlanId=0&Opt=3#AI2024>

<sup>20</sup> <http://ipswichvision.co.uk/inward-investment/>

- Complete the Princes Street corridor redevelopment by 2020; and
  - Attract investment to develop key sites
92. The Borough is working very closely with the New Anglia Growth Hub to jointly develop growing Small and Medium Enterprises (SME's), in certain cases to build on the supply chain requirements of the larger companies. The Borough is also progressing collaborative research between SME's and University Campus Suffolk, actively seeking Innovate UK (formerly Technology Strategy Board) support. It is also supporting Annual Programmes at the Eastern Enterprise Hub to develop entrepreneurs and with the Papworth Trust to provide apprenticeships.
93. Another key area of activity is around skills. The sectors have specific needs, amongst which a skilled labour force is the primary concern. Equipping the labour force with the necessary skills is a key focus of the Greater Ipswich City Deal. More than £18 million is being invested by the government, businesses and local authorities in equipping people with the skills local businesses need to grow as part of a local approach to skills. The investment will be used to fund projects including a new youth employment centre in Ipswich and an incentive scheme to encourage businesses to invest in training<sup>21</sup>.
94. The Council's published Duty to Co-operate Statement<sup>22</sup> also outlines how the strategic issue of delivering employment growth is being progressed through joint work. In addition to the means outlined above, there is joint work with neighbouring authorities through the Ipswich Strategic Planning Area Board (e.g. to commission the Ipswich functional economic area Employment Land Needs Assessment) and there are regular meetings held between the economic development portfolio holders of Suffolk local authorities.

### Conclusion

95. The draft Ipswich Local Plan Review proposes through policy CS13 a target to deliver approximately 15,580 jobs in the Borough between 2018 to 2036. This is based on the baseline forecasts produced by the East of England Forecasting Model 2016, and the accompanying supporting evidence within the Employment Land Needs Assessment (2016), Economic Sector Area Needs Assessment (2017) and Employment Land Supply Assessment (2018). Strategies from regional, county and local groups which support economic growth and delivery have also been considered.
96. The delivery of jobs will be supported through the land target set out within revised policy CS13, which is for at least 28ha for business and industrial uses in Use Classes B1, B2 and B8 to be made available to 2036. In addition, policy SP5 includes employment site allocations, including the former British Energy Site, Land north of Whitton Lane and land at Airport Farm Kennels. It also recognises the contribution to jobs provision that will be made through other employment-generating land uses such as education and retail uses.

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<sup>21</sup> <https://www.gov.uk/government/news/greater-ipswich-city-deal-multi-million-pound-investment-in-skills-secured>

<sup>22</sup> [https://www.ipswich.gov.uk/sites/www.ipswich.gov.uk/files/duty\\_to\\_co-operate\\_statement\\_nov\\_14.pdf](https://www.ipswich.gov.uk/sites/www.ipswich.gov.uk/files/duty_to_co-operate_statement_nov_14.pdf)