

Ipswich Borough Council Local Plan

Topic Paper: Employment

Evidence on the appropriate scale of employment growth for Ipswich Borough to 2031

January 2015 (updated October 2015)



Planning and Development
Ipswich Borough Council
Grafton House, Russell Road
Ipswich IP1 2DE
(01473) 432019

email:
planningandregeneration@ipswich.gov.uk
website:
www.ipswich.gov.uk

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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 (December 2011) and a Site Allocations and Policies (incorporating IP-One Area Action Plan) development plan document. These documents form the Council's Local Plan, which guides future development in the Borough.
2. Proposed submission versions of the two plans were published for public consultation on 12th December 2014, under regulation 19 of the Town and Country Planning (Local Planning) (England) Regulations 2012. This followed informal consultation (under regulation 18) between January and March 2014. Following representations received on the Proposed Submission plans and changes in national policy, in October 2015 Pre-Submission Main Modifications were published for consultation.
3. The Core Strategy and Policies development plan document review (hereinafter referred to as the Core Strategy review) will replace the adopted Core Strategy and Policies development plan document when adopted (anticipated in mid-2016).
4. The Site Allocations and Policies (incorporating IP-One Area Action Plan) development plan document (DPD) (hereinafter referred to as the Site Allocations Plan) is a new plan. It will replace the remaining saved policies of the adopted Ipswich Local Plan (November 1997) when adopted (anticipated in mid-2016).
5. The Council is undertaking a public consultation on Pre-Submission Main Modifications to the Core Strategy review and the Site Allocations Plan and their supporting sustainability appraisal and appropriate assessment reports with addenda. The consultation period will run from Friday 9th October 2015 to Monday 23rd November 2015 and further details can be found on the Council's website, www.ipswich.gov.uk/consultations, at the Council's offices at Grafton House and the Customer Services Centre at the Town Hall, or in Ipswich libraries.

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 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 notes in paragraph 182 that the Local Plan will be assessed at the Examination in Public on whether it has been prepared in accordance with the Duty to Co-operate, legal and procedural requirements, and whether it is sound.
8. The Duty to Co-operate was introduced through Section 110 of the Localism Act 2011 in November 2011. It is a legal duty on local planning authorities to co-operate constructively, actively and on an ongoing basis with neighbouring authorities, county councils and other prescribed bodies in planning for strategic, cross boundary matters. The duty to co-operate came into force on 15th November 2011 and any plan submitted for examination on or after this date will be examined for compliance. Local planning authorities are expected to provide evidence of how they have complied with any requirements arising from the duty. Non-compliance with the duty to co-operate cannot be rectified after the submission of a plan.

9. The Inspector will first check that the plans meets the legal requirements under s20(5)(a) of the Act before moving on to test for soundness. Legal requirements include e.g. whether it is included in the Council's Local Development Scheme; whether the Council's Statement of Community Involvement has been followed; and whether documents have been published and made available for public inspection.
10. To be sound the plan must be:
 - **'Positively prepared** – the plan should be prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development;
 - **Justified** – the plan should be the most appropriate strategy, when considered against the reasonable alternatives, based on proportionate evidence;
 - **Effective** – the plan should be deliverable over its period and based on effective joint working on cross-boundary strategic priorities; and
 - **Consistent with national policy** – the plan should enable the delivery of sustainable development in accordance with the policies in the Framework.' (Para 182, p. 43)
11. Paragraph 15 of the NPPF notes 'a presumption in favour of sustainable development so that it is clear that development which is sustainable can be approved without delay' and plans include 'clear policies that will guide how the presumption should be applied locally' (p. 4).

National Policy Context

12. Through the NPPF, the Government requires planning to: '... proactively drive and support sustainable economic development to deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs. Every effort should be made objectively to identify and then meet the housing, business and other development needs of an area ...' (Core Planning Principles).
13. The Housing Topic Paper provides greater detail on how the Council has arrived at a housing growth figure for the Borough from 2011 to 2031. This topic paper explains the background to the revised jobs target of approximately 12,500 jobs to be provided in the Borough to 2031 as set out in Policy CS13 of the Core Strategy Review. A separate topic paper on Retail and Town Centre sets out evidence on the scale of retail development for Ipswich Borough and the approach to retail and town centre policies.
14. The Government requires local planning authorities to place 'significant weight' on the need to support economic growth through their Local Plans. In order to do this, local planning authorities need to '...plan proactively to meet the development needs of business and support an economy fit for the 21st century' (NPPF paragraphs 19 & 20).
15. Local planning authorities should make plans on the basis of a clear understanding of the needs of businesses and markets in their area (NPPF paragraph 160). Ways to achieve this include working with other authorities and the Local Enterprise

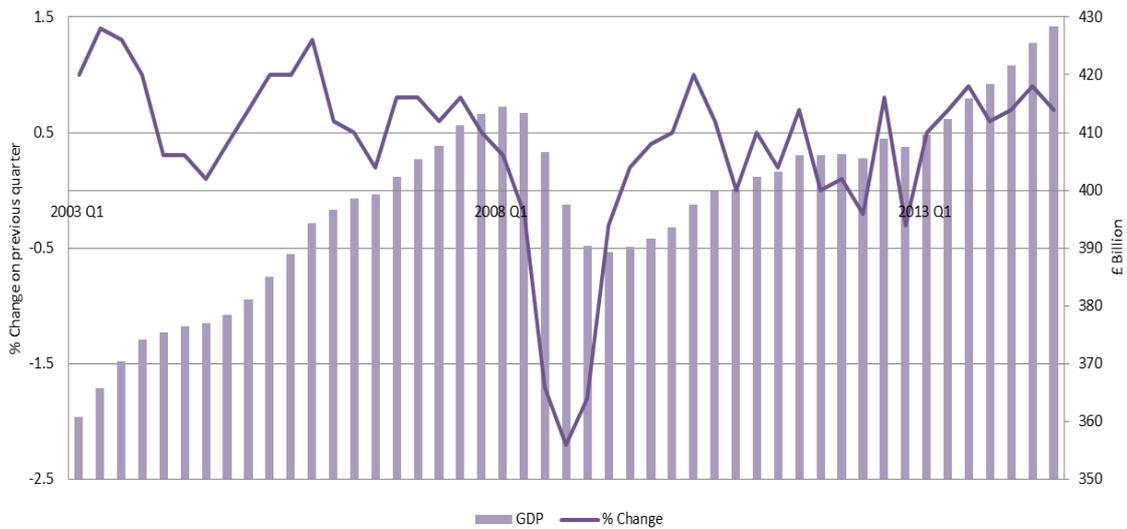
Partnership (LEP) on the evidence base, and working with the business community to understand needs and barriers to investment.

16. This paper sets out the Council's approach to identifying the need for business and industrial floorspace, how it intends to meet this need through the identification of sites for development and the strategy for jobs delivery.

National Economic Context

17. The financial crisis from summer 2007 led to a global recession from 2008 until 2010. Subsequently, issues such as the Euro crisis in 2010 contributed to rates of growth remaining lower than forecast. (OECD forecasts during and after the financial crisis: A Post Mortem”, OECD Economics Department Policy Notes, No. 23 February 2014.)
18. However, in the third quarter of 2014, estimated Gross Domestic Product (GDP) confirmed that the UK economy had grown by 0.7%, and by 3% compared with the equivalent quarter of 2013. This is the seventh successive quarter of positive economic growth, which is the longest sustained positive run since the economic downturn began in 2008 (see Figure 1 below). The UK economy is now estimated to be 3.4% larger than its pre-downturn level in the first quarter of 2008 (ONS, Economic Review November 2014 and December 2014).

Figure 1 UK GDP by quarter, 2003 to 2014 (Seasonally adjusted, Real Terms)



Source: ONS (2014) Quarterly National Accounts

19. During and since the recession, the UK economy has experienced relatively strong employment. Unemployment did not reach levels consistent with previous recessions and it has dropped again more quickly than after previous recessions. However, whilst the labour market is flexible, there has been a decline in real wages. In most countries, the rate of decline in wages slowed after 2011, whereas average rates in the UK continued to fall through to 2013. (OECD (2014) Employment Outlook 2014: How does the United Kingdom compare?)
20. The construction and production sectors suffered most severely in the recession and skills have been lost from those sectors. The services sector has performed more strongly and recovered more quickly than production (ONS Economic Review). The

Office for Budget Responsibility are predicting GDP to grow by just under 16% between 2013 and 2019 with total employment increasing by 1.7 million, which is a modest increase compared to the 691,000 growth within one year to 2014 (ONS).

21. While there are positive indications relating to GDP and unemployment, there are signs that the global economy is now slowing and indicators of consumer and business confidence are consistent with continuing subdued growth. Growth has also slowed in some emerging economies and, in the United States, household consumption is also subdued. Within Europe, the United Kingdom's largest trading partner, output grew only modestly in the first half of 2014. UK exports fell in the second quarter of 2014. (Bank of England (2014) Inflation Report, November 2014.)
22. Looking ahead, there are uncertainties which could affect the UK economy over coming years, such as a future referendum on EU membership, possible deflation within the Eurozone, possible interest rate rises in UK and USA, volatility in emerging markets such as Eastern Europe, and whether growth within the housing market will be sustained.
23. There is also a structural issue affecting the UK and Europe, which is the ageing population and how this affects the workforce. The ratio of people aged over 64 to those of working age will continue to increase.
24. Overall, the current macroeconomic context for the Ipswich economy is one of slow but sustained growth in UK GDP; decreased unemployment but pressure on earnings and therefore household incomes; indications that the global economy is slowing and uncertainties lying ahead which could affect the UK economy.

Functional Economic Areas

25. The national Planning Practice Guidance (PPG) advises that economic needs should be assessed in relation to the relevant functional 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.
26. 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 updated in 2015) 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.
27. 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 2012¹).

¹ Ipswich Strategic Housing Market Assessment Update, Babergh, Mid-Suffolk and Suffolk Coastal District Councils, 2012

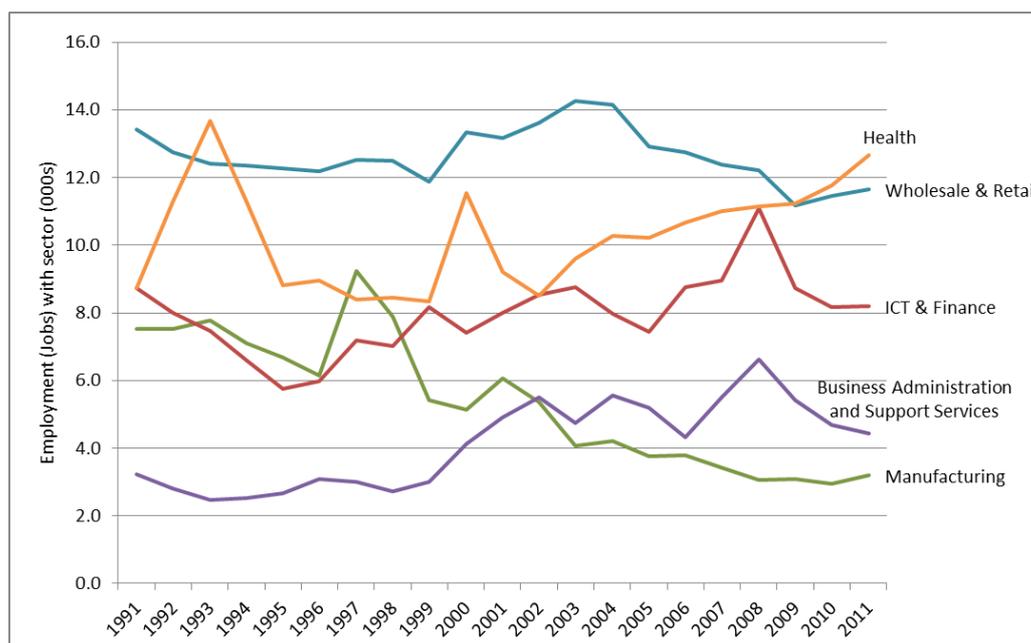
28. An Employment Land Needs Assessment is being carried out for the Ipswich functional economic area, looking at solely the needs for B-class economic development² (B1 business, B2 general industrial and B8 storage and distribution uses). Its key outputs will be to identify objectively assessed employment needs and employment land requirements for the Ipswich Policy Area and Waveney, and to identify 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.
29. Until this work is complete, the following information focuses on available data for Ipswich and, where appropriate, the wider area to include Babergh, Mid Suffolk and Suffolk Coastal.

Current market for economic uses in Ipswich

Long term (historical) trends

30. Whilst there has been a decline in the number of jobs within Ipswich following the recession, the overall trend is one of growth. Between 1991 and 2011 an estimated 1,145 more jobs were produced within Ipswich. This is equivalent to 2% growth, but this is lower than the growth within the wider Ipswich area of 11%.
31. The Ipswich economy has followed the national trend of a declining volume of manufacturing and an increase in service employment. Figure 2 below shows the decline in manufacturing employment, the rise of business and support services and an increase in employment within the health sector. The growth in health and care to become the largest employer compared to the other (broad) sectors has also occurred throughout the wider area, New Anglia and the UK.

Figure 2 Change in employment by sector in Ipswich, 1991-2011



² The Town and Country Planning (Use Classes) Order 1987 (amended) identifies 3 employment based use classes: B1 Business, B2 General Industry and B8 Storage or Distribution.

Source: EEFM 2013 run based on ONS data

32. The Suffolk Haven Gateway Employment Land Review 2009 (the 'ELR')³ 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. The biggest employment sector in Ipswich is the public sector (33.7%)⁴ which includes health and education.
33. Within the service sector, finance and insurance services is a key sector – recognised in the LEPs Strategic Economic Plan - and accounts for 9% of total employment. The larger Finance & Business Services employers in Ipswich include Ipswich Building Society, Suffolk Life Pensions, LV and insurers Churchill, Willis and AXA. Professional service providers based in the town include solicitors Ashton KCJ, Birketts and Eversheds, as well as accountants Ensors and Grant Thornton.

Market signals for land and premises

34. The 2009 ELR noted that Ipswich's stock of offices grew by 30% in the period 1998-2008, far in excess of the regional average of 20%, but it faces current low demand for office space and problems over the quality of supply. Current demand is for small sites (less than 1,850 sq m) but the Ipswich supply consists predominantly of old offices over 1,850 sq m. Conversely, industrial space has reduced by 10% between 1998 and 2008. Generally the industrial stock is linked to storage, distribution and manufacturing, with Felixstowe Port being a key driver, and to strong historical links with engineering and agricultural processing.
35. The Ipswich Town Centre Opportunity Area Study 2013⁵ indicated that Ipswich has a surplus of secondary office stock, but almost no new Grade A stock. Ipswich saw around 4,200 sq m of new development completed between 2008 and 2012. There is no known floor space currently under construction and 16,000 sq m of space with planning consent. The Study concluded that developers were unlikely to undertake speculative projects in the current market. The short to medium term outlook for Ipswich's industrial and office market seems weak as prices for new warehouse space are around £5 to £7 per sq ft, but older stock goes as low as £1 to £1.50 per sq ft. New office space in or out of town could reach £10 to £13 per sq ft, while older stock is nearer to £5 per sq ft.
36. The key trigger to greater levels of development will be a tangible improvement in economic conditions and with this renewed business confidence and occupier demand. Debt funding for development remains very limited. Many lenders have strict requirements, including a high proportion of space pre-let.

Recent development trends and current supply of land

37. In Ipswich, development completions for B1 Business, B2 General Industry and B8 Storage and Distribution on allocated and existing employment sites for the monitoring

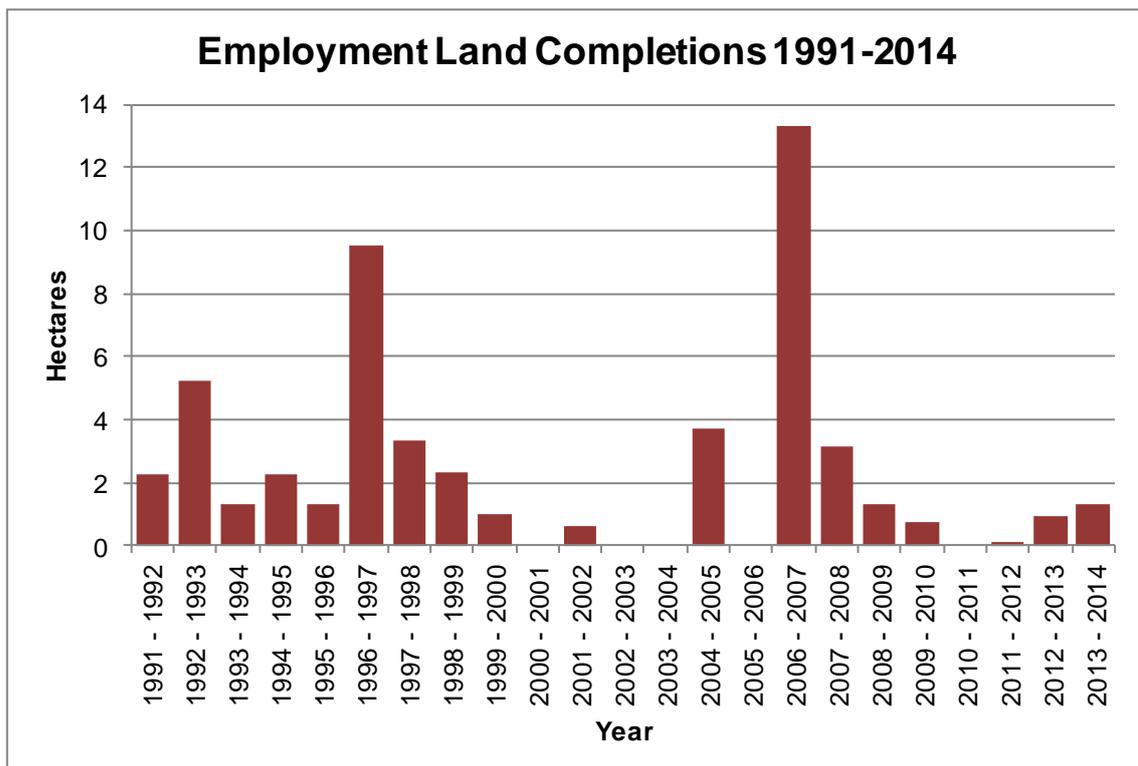
³ Suffolk Haven Gateway Employment Land Review 2009, GVA Grimley

⁴ Nomis: Employee jobs Ipswich 2013

⁵ Ipswich Town Centre Opportunity Area Study 2013, DTZ

year April 2013-March 2014 were 1.34ha, most of this being for B1 office uses. Over the same period, land lost from employment uses amounts to 1.72ha. Most of the loss is accounted for by the change of use of a single site of 1.2ha from employment uses to residential uses, delivering 386 residential units at Great Whip Street on the west bank of the Waterfront, as part of the ongoing Waterfront regeneration. The other losses of employment land indicate a wide range of new uses, many of which also generate employment: gym, health treatment rooms, retail, residential, police station, café and yoga studio. Figure 3 below shows total employment land completions in Ipswich from 1991 to 2014 (source: IBC Employment Land Availability Report 2014).

Figure 3 Employment land completions in Ipswich mid-1991 to March 2014



38. The total amount of employment land available at July 2014 has increased by 0.17 hectares (ha) to 71.94ha across the whole of Ipswich. It should be noted that the Employment Land Availability Report 2014 monitoring data relate to saved Local Plan 1997 land allocations and Employment Area designations. The total land supply consists of:
- 3.81ha with unimplemented planning permission (the majority of which is for B8 storage and distribution uses within a defined Employment Area),
 - 18.73ha on allocated land (13.61ha of which is within the Ipswich Port area and allocated for Port related uses) and
 - 49.4ha of vacant land within identified employment areas (including 15.53ha at Landseer Road / Sandyhill Lane; 10.83 ha at the Drift/Leslie Road; and 9.34ha at Ransomes Europark).
39. Planning permissions for employment sites (over 100 sq m) at April 2014 amount to 3.81ha. The permissions include extensions and changes of use. The largest permission in terms of site size is for B8 uses within a defined Employment Area - 1.88ha for an extension to a warehouse at Ransomes Europark. There are

permissions for six new commercial units for B1, B2 and B8 use within the Dales Road Employment Area. There are no new outline planning permissions.

40. From mid-2001 to March 2014, average employment land completions were 1.8ha per annum. Figure 3 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 2011-2031 would amount to 1.8 x 20 years or 36ha.
41. In terms of premises, the Council's Employment Land Availability Reports survey occupation in the Employment Areas annually. The 2014 report shows that vacancy within the Employment Areas (designated through the adopted Local Plan 1997) has reduced from 124 units in 2012-13 to 98 units in 2013-14, so that the occupancy rate at July 2014 was 89% (up from 86.1%). The two Employment Areas with the lowest occupancy rates (below 80%) are Riverside Industrial Park and West Bank Area, and Landseer Road / Greenwich Close / Cliff Quay / Sandyhill Lane.
42. Market intelligence also helps to build a picture of the Ipswich economy. Ipswich Borough Council's Economic Development Team monitor enquiries received about available land or premises within the Borough and have regular contact with agents. During 2014, 23 enquiries were received primarily via UK Trade and Investment. Of these, the majority (14) were for industrial or warehouse premises or land and 2 for office accommodation. Retail and leisure enquiries accounted for 5 of the 23. 2 enquiries did not specify the land use. The size of accommodation sought typically ranged from 1,000 to 10,000 square metres (industrial and warehouse) and 100 to 200 square metres (office).

Rental values in different uses

43. Land agent information on the Ipswich office floorspace market indicates that the first half of 2013 saw a reduction in office floorspace transactions, after a relatively good year in 2012⁶. More recently (first half of 2014) the market has shown an increase in the uptake of office floorspace in Ipswich. 59% of the demand for office floorspace in 2013 was for good quality second hand stock, but Ipswich still has a shortage of Grade A office stock. Rental values range from £6 per square foot for secondary, poor quality office stock to £14.50 for prime space (the latter unchanged in 2014). The rental value of prime office space in Ipswich is slightly lower than values in Colchester and Norwich (£15 and £16.50 per square foot respectively).
44. In contrast, the take up of industrial floorspace during the first half of 2013 was the highest six-monthly level of activity since 2007. The focus of that activity was on poorer quality second hand industrial space (55%). In the industrial floorspace sector, the rental values in 2013 ranged from £2.50 per square foot for secondary, poor quality floorspace to £5 for prime space. In 2014, the take up of industrial floorspace has slowed (partly due to low levels of supply) and the prime rental rate has dropped to £4.75 per square foot.
45. Activity during 2014 suggests that the office market in Ipswich town centre and specifically around the hub of Princes Street may be improving. In June 2014⁷, the

⁶ Bidwells Business Space Data Books, Autumn 2013, Spring 2014, Autumn 2014

⁷ See press cutting 10th June 2014

http://www.ipswichstar.co.uk/news/ipswich_law_firm_set_to_build_new_hq_in_heart_of_town_1_3636166

Ipswich Star announced that legal firm Birketts plan to relocate from their existing offices in Museum Street, which they have outgrown, to larger purpose built offices at 141-145 Princes Street, Ipswich.

46. An Ipswich Borough Council press release in November 2014⁸ announced the intended sale by the Council of vacant office building Fison House on Princes Street to a private developer (see Executive report considered 2nd December⁹). The Council has also applied for planning permission for speculative new office accommodation on land it owns to the north-west of Princes Street. In contrast there have been no announcements during 2014 relating to new industrial investment in Ipswich.
47. Other published information about recent business growth in Ipswich includes the following:
 - Willis' announcement 10th September 2013 (Ipswich Star) of works to its listed office building to increase its capacity from 1,350 to 1,500 employees, following refurbishment of its Greyfriars offices, which together take its capacity up to 1,900 people¹⁰;
 - Flow Energy announcement 31st October 2014 (Ipswich Star) of their intention to create 700 jobs over coming years selling a new type of gas boiler¹¹;
 - Crafted, a digital marketing agency, receives £60,000 grant from the LEP to support expansion plans (Ipswich Star 4th April 2014)¹².
48. The indicators suggest that the market for employment land and premises in Ipswich has improved, although the signals for industrial land are varied. There is reduced vacancy overall in the Employment Areas, but also reduced industrial rental values identified by Bidwells. The Borough is unable to secure some of the companies from whom enquiries are received for land or premises due to the lack of available grants. However, four wards within the Borough have Assisted Area Status – Priory Heath, Gipping, Alexandra and Holywells – which means that businesses in these areas can access a larger than otherwise share of national or European funding¹³.
49. There are employment (industrial) sites outside the town centre, which are within Employment Areas but have not come forward for a number of years. The two largest, which have been allocated for employment use through the Site Allocations DPD, are the former Harris Bacon site at Hadleigh Road (now reference IP147) and the former Volvo site at Sandy Hill Lane (now reference IP058). The former is now available following completion of the rail chord through the site and the provision of a signalled access, and it is considered likely to come forward. The latter has benefited from improvements to the Cliff Quay sewage works to address odour issues and has been

⁸ See press release 25th Nov 14 <https://www.ipswich.gov.uk/content/office-block-refurbishment-planned>

⁹ <https://democracy.ipswich.gov.uk/documents/g1352/Public%20reports%20pack%2002nd-Dec-2014%2018.00%20Executive.pdf?T=10> Executive report re Fison House 2nd Dec 2014

¹⁰

http://www.ipswichstar.co.uk/news/suffolk_jobs_boost_as_willis_unveils_10m_investment_1_237362

¹¹

http://www.ipswichstar.co.uk/news/energy_firm_set_to_create_700_new_jobs_in_ipswich_through_launch_of_game_changing_gas_boiler_1_3827399

¹²

http://www.ipswichstar.co.uk/news/ipswich_digital_agency_crafted_secures_60_000_growing_business_fund_grant_from_new_anglia_lep_1_3521314

¹³ http://www.bizeast.co.uk/index.php?option=com_content&view=article&id=1226:ipswich-town-centre-given-assisted-area-status&catid=81:general-business-news&Itemid=429

put forward through the Suffolk Growth Strategy for support in delivery. Constraints include slope, location, access and the particular sectors the site would be appropriate for. In the meantime it is being used for extensive storage.

Property Market Areas

50. In terms of distinct property market areas within Ipswich, the Suffolk Haven Gateway ELR¹⁴ identified five geographical market areas of land availability, as follows:
- 'Mid Ipswich' including the town centre and Waterfront, where the majority of available sites are for office use;
 - 'Ipswich North West' on the edge of the Borough boundary close to the A14 between junctions 54 (Sproughton Interchange) and 53 (Whitehouse Interchange) where most sites are available for distribution, then industry and offices;
 - 'Ipswich South' covers the cluster of sites around Raeburn Road and Sandyhill Lane where sites are quite large;
 - 'Ipswich North' where there are very limited site opportunities in relatively peripheral locations; and
 - 'Ipswich South East' around the Nacton Road corridor close to A14 junction 57 where there are concentrations of supply within large sites such as Ransomes Europark and Futura Park (the former Crane's factory site).
51. In terms of office provision in Ipswich, there are several market segments. There are large offices within the town centre occupied by finance sector companies, professional services companies and public administration uses (e.g. AXA, Willis, Birketts, Scrutton Bland, Ensors, Ipswich Borough Council, the County Court). There is also an office market associated with Felixstowe Port and this favours the A14 corridor, notably Ransomes Europark e.g. Medite Shipping. Serviced office space spans the two locations with facilities such as Felaw Maltings in central Ipswich (Waterfront) and Basepoint or Epsilon House on Ransomes Europark. The single largest completion over 2013-14 was the office space at Epsilon House on Ransomes Europark (see paragraph 37).
52. Industrial space for B2 and B8 uses is found mainly in the defined Employment Areas which are dispersed around the outer part of the Borough. The largest Employment Areas are found around Ipswich Port (south of the town centre on the east and west banks of the River Orwell), in the west of the Borough (e.g. Hadleigh Road Industrial Estate, Boss Hall and Whitehouse Industrial Estate) and in the south-east (e.g. Ransomes Europark).

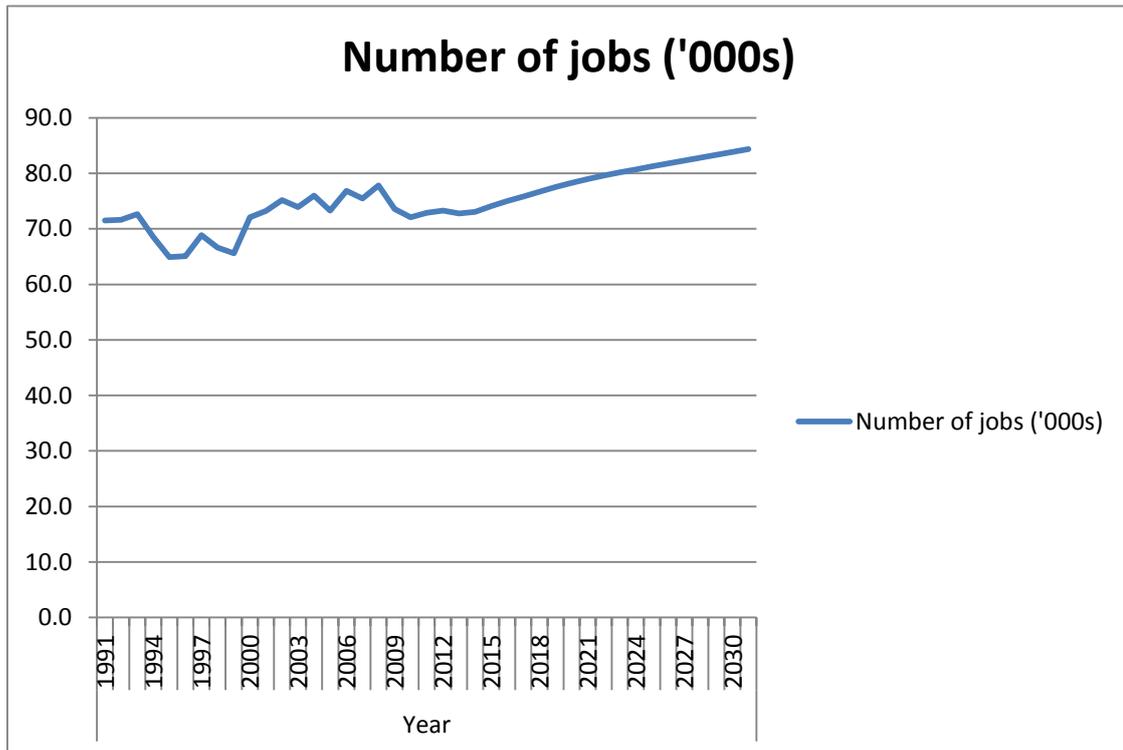
Employment forecasts

53. The number of jobs which exist in an area is measured through the 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).

¹⁴ Suffolk Haven Gateway Employment Land Review 2009, GVA Grimley

54. 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 4 below shows the EEFM baseline forecast published in autumn 2013, based on BRES survey and ONS Workforce Jobs data up to 2012 and then forecasts to 2031.

Figure 4 Number of jobs in Ipswich 1991 to 2031



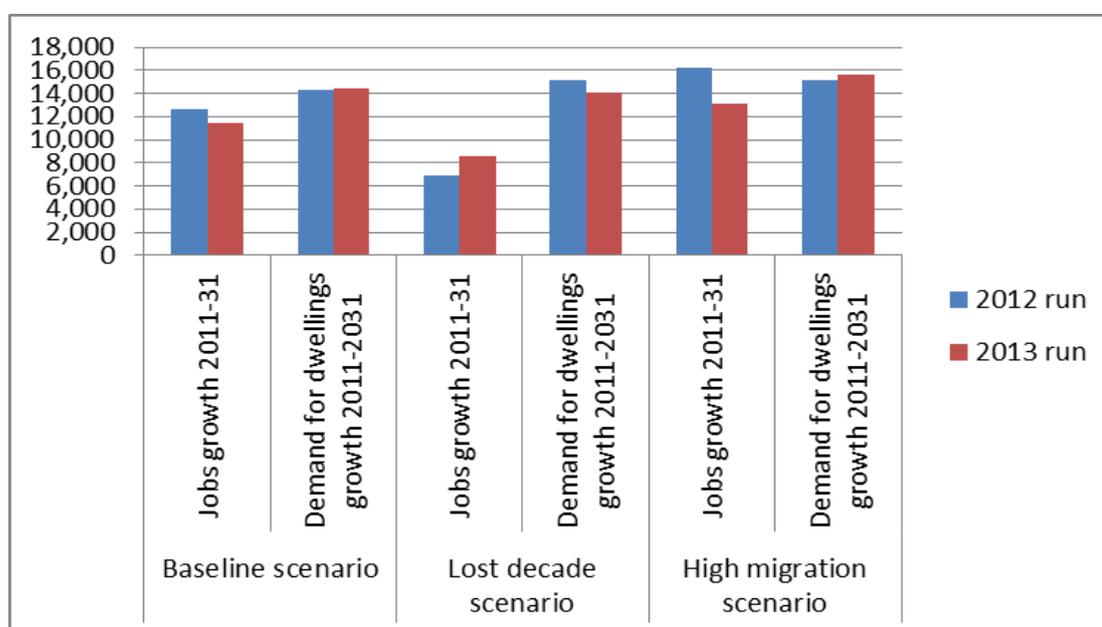
Source: East of England Forecasting Model Baseline Run 2013

55. The 2013 EEFM baseline forecast estimates that Ipswich had 72,900 jobs at 2011 and that this will rise by 6,100 to 79,000 by 2021 and by 11,400 to 84,300 by 2031. 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 2012 EEFM baseline run forecast jobs growth of 12,700 from 2011 to 2031. 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.
56. Alternative scenarios exploring the effects of different impacts such as lower national economic growth can be undertaken through the EEFM. Two scenarios, which have been produced alongside the baseline forecasts, are 'high migration', a higher growth scenario using Office for National Statistics migration assumptions, and a 'lost decade' scenario which assumes fifteen years of 'sluggish growth'. The EEFM outputs for these scenarios from the 2012 and 2013 runs are compared with the baseline in Figure 5 below.

Figure 5 Comparison of alternative growth scenarios (table and graph)

East of England Forecasting Model Runs			
Scenario	Forecast	2012 run	2013 run
Baseline scenario	Jobs growth 2011-31	12,700	11,400
	Demand for dwellings growth 2011-2031	14,300	14,400
Lost decade scenario	Jobs growth 2011-31	6,900	8,600
	Demand for dwellings growth 2011-2031	15,200	14,100
High migration scenario	Jobs growth 2011-31	16,200	13,100
	Demand for dwellings growth 2011-2031	15,200	15,600

Source: EEFM runs 2012 and 2013



57. These alternatives have been considered. The higher growth scenario is not considered appropriate at present, given that the adopted Core Strategy set out a higher jobs target, with which delivery has not kept pace. A trend migration assumption has been applied to the Borough's household forecasts. The lost decade scenario may be overly pessimistic in the light of a generally positive macroeconomic outlook and the efforts being taken locally and within the LEP region to actively support and deliver economic growth.
58. The baseline forecast has been used to inform the Core Strategy review as the most appropriate, up to date, modelled information available. In the 2013 run, the baseline figure falls between the growth forecasts for different scenarios for the period 2011 to 2031, which ranged from 8,600 jobs (lost decade scenario) to 13,100 jobs (high migration scenario). Core Strategy review policy CS13 sets a target of 'approximately 12,500 jobs' to be created in Ipswich 2011-2031, reflecting the EEFM baseline runs

2012, 2013 and 2014, the Borough's Economic Development Strategy, the Suffolk Growth Strategy and the New Anglia LEP Strategic Economic Plan.

59. The EEFM provides a more detailed breakdown of its jobs forecast for 2031 by sector. It is compared with the job figures for 2011 below (Figure 6), focusing on the sectors providing 500 or more jobs in either year. Significant sectors which are forecast to shrink over the period include public administration and manufacturing. The majority of the other sectors show continued forecast growth in employment.

Figure 6 Employment by sector in Ipswich (number of jobs), 2011 (actual) and 2031 (forecast)

Sector	2011 Jobs	2031 Jobs	Change 2011-2031 (+ or -)
Health and care	12,200	13,400	+
Retail	7,800	11,400	+
Education	6,900	6,600	-
Finance	6,300	6,800	+
Public administration	4,700	4,100	-
Transport – land, water & air	4,300	5,100	+
Construction	3,900	4,600	+
Hotels & restaurants	3,800	4,800	+
Wholesale ¹⁵	3,800	4,000	+
Professional services ¹⁶	2,800	4,700	+
Business services	2,500	4,000	+
Employment activities ¹⁷	2,300	2,900	+
Arts & entertainment	2,300	3,100	+
Other services	1,900	1,800	-
General Manufacturing	1,500	1,100	-
Utilities	1,300	1,000	-
Real estate	900	1,200	+
Computer related activity	900	1,300	+
Transport	800	600	-
Publishing & broadcasting	500	500	No change
Telecoms	500	500	No change

Source: EEFM Baseline Run Autumn 2013

60. The sectors forecast to grow the most in absolute terms are retail, professional services, business services, health and care, and hotels and restaurants. In percentage terms, the sectors forecast to grow most are professional services, business services, retail, computer related activity and arts and entertainment. 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.

¹⁵ An example of wholesale activity is the sale of motor vehicles.

¹⁶ An example of professional services is legal services.

¹⁷ An example of employment activities is employment agencies.

The Ipswich labour supply and skills

61. There is no single agreed methodology for calculating objectively assessed employment need. Various approaches can be used, such as considering labour demand based on employment change by sector, job gap analysis e.g. how many people are economically active and what level of provision is needed to reduce unemployment, and analysing development trends. The EEFM factors in variables including working age population and unemployment rate.
62. Ipswich has a working age (16-64) population of 87,566 people, which is proportionally high at 65.7% of the total population compared with 61% in the rest of Suffolk (362,656). The majority of residents of working age in employment (58.5%) work full-time between 31-48 hours per week, which has remained consistent since 2001. The average full-time gross weekly pay is £455 but the average for female workers is significantly less at £381¹⁸.
63. The percentage of working age residents in employment in Ipswich is shown below in Figure 7, compared with the East of England.

Figure 7 Working Age Population in Employment October 2008 to September 2013 (%) – Ipswich and Eastern region

Time period	Ipswich	East of England
Oct 2012 – Sept 2013	77.2%	75.1%
Oct 2011 – Sept 2012	73.9%	74.3%
Oct 2010 – Sept 2011	69.1%	73.5%
Oct 2009 – Sept 2010	73.9%	73.5%
Oct 2008 – Sept 2009	77.3%	74.7%

Source: Nomis (Update to September 2014 not available until late January 2015)

64. The proportion of the working age population (aged 16 to 64) in employment in Ipswich has exceeded the equivalent proportion across the region from 2008 to 2010 and 2012 to 2013. However, there was a two year period from October 2010 to September 2012 during which the regional rate overtook the Ipswich rate.
65. Ipswich has a higher level of economically inactive people (22.7%) than the average for Suffolk (21.2%) but lower than the national average (23.7%). It also has a higher percentage of people wanting a job (43.0%) than both the Suffolk (29.0%) and national average (23.7%). 5,500 residents of working age (5.7%) have never worked or are long-term unemployed.
66. Ipswich has consistently exceeded the regional rate of the working age population claiming Job Seekers' Allowance (JSA). The figures below in Figure 8 track the JSA rate back to 2006, to show the impact of the financial downturn on claimant rates. The number of claimants at November 2014 in Ipswich was 2,068.

¹⁸ Statistics from the State of Ipswich Annual Monitoring Report, June 2014

Figure 8 Working Age Population claiming Job Seekers' Allowance December 2006-December 2013 (%) – Ipswich and Eastern region

Date	Ipswich	East of England
November 2014	2.4%	1.5%
December 2013	3.5%	2.2%
December 2012	4.4%	2.9%
December 2011	4.8%	3.1%
December 2010	4.0%	2.8%
December 2009	4.8%	3.2%
December 2008	3.5%	2.3%
December 2007	2.8%	1.5%
December 2006	2.9%	1.8%

Source: Nomis

67. Turning to skills levels in the workforce, in 2011, Ipswich had considerably lower working age skills levels, especially at degree level (28.9%) than the national average (31.2%), but this is higher than the county as a whole (27.2%).
68. In summary, Ipswich has a relatively large working age population and, over 2011-12, a higher proportion of that population than the regional average was in employment (77.2%). However, Ipswich also has a higher rate of Job Seekers' Allowance claimants than the regional average. Skills levels in 2011 compared positively with the county but were lower than the national level.

Strategy for Delivery

69. The Core Strategy Review and Site Allocations Plan set out an approach to land use to support the delivery of the jobs target. Core Strategy Review policy CS13 states the aim to encourage the provision of 'approximately 12,500 jobs' within the Borough to 2031, based on the baseline forecasts from the EEFM 2012-2014. The Core Strategy Review no longer outlines a 'jobs-led strategy', but it is a growth strategy, which recognises that the delivery of both jobs and housing is needed to meet needs and deliver sustainable economic growth.
70. The delivery of jobs will be supported through a range of actions, which include the following:
- Allocating over 30ha of land for B class uses (B1 business, B2 general industry and B8 storage and distribution) (policies CS13, SP5) – the sites demonstrate a theoretical capacity of over 10,000 jobs (see appendix 1);
 - 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 DM25 and policies maps);
 - Allocating and safeguarding a strategic employment site at Futura Park (policy CS13);
 - Allocating a site for retail development in the Central Shopping Area (policy SP10) and putting in place policies to control out of centre development (policy DM23) – please refer to the Retail and Town Centre Topic Paper;

- Allocating a town centre site for leisure development (policy SP7) – please see the Retail and Town Centre Topic Paper; and
 - Safeguarding land in the Education Quarter for education and ancillary uses, which could include spin-off businesses (policy SP12).
71. Policy SP5 of the Site Allocations Plan allocates 48.53ha of land for employment uses (in use classes B1 business, B2 general industry or B8 storage and distribution). Approximately 42ha of this is on sites earmarked for 100% employment use and mostly located outside IP-One, whilst 5.94ha is as part of mixed use developments within the IP-One area. It is estimated that this total area has a theoretical capacity to deliver over 10,000 new jobs (based on the Homes and Communities Agency's Employment Densities Guide).
72. The 30ha figure in CS13 also takes account of the employment land capacity within the Borough. The allocations of land for B class employment through SP5 include sites allocated through the 1997 Local Plan which are still available; vacant and available sites within Employment Areas which are not specifically identified as expansion land for existing businesses; and two new greenfield sites in the far north-west and south-east of the Borough close to existing employment clusters at Whitehouse/Bury Road and Ransomes Europark/Nacton Road respectively.
73. Further jobs would be delivered through the Strategic Employment Site allocated through clause d. of the Core Strategy policy CS13, and now known as 'Futura Park'. Development in other sectors will also have a role in jobs growth, including new retail and leisure development 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.'
74. 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.
75. In addition to delivery through land use, there are three key strategies currently being implemented to promote and support economic growth in Ipswich, Suffolk and the New Anglia LEP area. They outline a whole range of measures, including bidding for Government funds such as Regional Growth Fund to improve infrastructure and remove barriers to growth, providing support for training and apprenticeships, identifying an inward investment strategy to attract businesses, and providing advice to businesses.
76. The New Anglia Local Enterprise Partnership (NALEP) promotes economic growth across the area of Norfolk and Suffolk. It published a Strategic Economic Plan in 2014¹⁹ following on from its document 'Towards a Growth Plan' in 2012. It identifies the key economic sectors in Norfolk and Suffolk as follows:
- Advanced manufacturing
 - Energy
 - ICT

¹⁹ Releasing our Potential, NALEP Strategic Economic Plan 2014

- Ports and logistics
- Life sciences and biotechnology;
- Digital and cultural creative industries;
- Food, drink and agriculture;
- Financial services;
- Tourism

77. It identifies five of these as 'high impact' sectors which offer the opportunity for rapid growth. They are sectors in which the New Anglia region has national or international leadership or which link with the Government's Industrial Strategy, and would benefit from focused support.

- Advanced Manufacturing and Engineering employs over 24,500 people in more than 1,000 businesses and is worth £1.5bn pa in GVA (gross value added) to the New Anglia economy. Clusters include automotive, civil and military aviation and pharmaceuticals.
- Agri-tech – using technology to add value to the agriculture, food and drink sector - was prioritised in the government's Industrial Strategy. The sector offers huge commercial potential for New Anglia.
- Energy employs 7,700 people directly in New Anglia, and thousands more indirectly, and is worth about £994m pa with a GVA per job of £129k. The long standing North Sea oil and gas industry is now expanding into offshore wind. There is a third nuclear plant proposed at Sizewell and several biomass plants are being developed across the New Anglia area.
- ICT/Digital Culture. The ICT sector is worth £1.3bn to New Anglia, with over 1,400 companies employing 10,300 people and GVA of £131k per head pa. BT's global research centre based at Martlesham has a cluster of other businesses around it, as do our universities.
- Life Sciences is worth £132m pa and employs over 3,000 people in 200 businesses, with GVA of £122k per head. There is a world class research cluster at Norwich Research Park, with other research and business activity across the area covering everything from humans to horses, fish and plants.

78. The Strategic Economic Plan also identifies four 'underpinning sectors', which are the largest employers in the new Anglia economy and which will continue to be supported in order to improve their productivity and competitiveness.

- Agriculture and food and drink production employs over 10% of the workforce generating £2.2bn pa GVA. New Anglia farms produce 12% of all England's cereal production and 20% of the UK's vegetables.
- Financial and insurance services contribute £3.1bn GVA or 13.4% of New Anglia's total and employs almost 21,000 people (3.2% of employment). As well as regional businesses, Norwich and Ipswich host a concentration of national and international insurance companies.
- Ports and logistics are worth £1.3bn to New Anglia and employ over 23,500 people. The Port of Felixstowe handles 40% of the country's container traffic and its continued expansion needs good transport links. Ipswich is the country's largest port for grain export; Great Yarmouth and Lowestoft and smaller ports serve the North Sea energy sector.
- Tourism and culture employ about 74,000 people. Tourism is worth £1.3bn in GVA to New Anglia. The area has the Broads, the Norfolk and Suffolk coast, and special attractions like Newmarket, Centre Parcs and Dedham Vale. Norwich is ranked 6th in the UK for day visitors and many towns have strong tourism offers. Tourism is underpinned by a strong cultural offer including the Aldeburgh and Latitude festivals and, in Ipswich, examples such as Ip-art.

79. The current sector strengths in Ipswich stem from four key areas of activity which span both of the LEP's categories above:
- A relatively high volume of IT expertise, largely connected with BT's research activity at Adastral Park within the Ipswich Policy Area;
 - The concentration of insurance expertise, which includes AXA and Willis as well as a range of other major insurance sector businesses;
 - Port and freight activity linked to Ipswich and Felixstowe Ports; and
 - Public sector activity, which includes Ipswich Hospital, the County and Borough Council headquarters, Suffolk New College, University Campus Suffolk and other public offices.
80. Further information on these sectors may be found in the Ipswich Economic Strategy 2013 (Chapter 5)²⁰. They are also the most significant employers in Ipswich. The town exceeds the regional and national averages for employment in transport and communications, finance, business, IT, public administration, health and education. The sectors which have below the national average rate of representation in Ipswich include manufacturing, construction, distribution, hotels and restaurants, and other services. However, the Council considers that additional sectors have the potential to grow, including energy, ICT and creative and tourism.
81. The five 'high impact' sectors will be '...encouraged to develop synergy with emerging sectors, such as looking at how the existing strong tourism offer can be supported by the information economy and creative industries' (Strategic Economic Plan paragraph 2.60). The Strategy states that, in addition, continued support will be provided to the key sectors not prioritised. New Anglia LEP submitted its Strategic Economic Plan to Government in March 2014 and as a result secured funding from the Government for projects aimed at unlocking growth. This 'Growth Deal' amounts to around £300 million investment in the whole LEP area to 2021, comprising £60m of new Government funding, over £20m provisional allocation for future projects, confirmation of a previous award of £91.49m for transport schemes, additional investment from the private and public sector and a further £20 million low-cost borrowing facility (LEP press release July 2014)²¹. Ipswich will benefit from a share of the Growing Business Fund (£12m for SMEs to 2020), New Anglia Growth Hub, Growing Places Fund and, provisionally, measures to improve traffic flow in the town.
82. 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.

²⁰ Ipswich Economic Development Strategy 2013-2026

²¹ <http://www.newanglia.co.uk/wp-content/uploads/2014/07/Growth-Deal-announcement-July-7-2014-V2.pdf>

83. The draft implementation plan for the Ipswich Economic Strategy, September 2013²², 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.
84. An inward investment strategy is currently being devised. It will involve the initiation, design, delivery and management of projects and interventions to identify, attract and secure significant investment into Ipswich. There are two main fields of activity. The first is the account management of existing larger and also high growth businesses already in Ipswich. Projects to be considered with each larger existing client could include:
- Opportunities within the Division to whom the Ipswich operation operates: winning extra manufacturing/corporate services responsible for existing Ipswich-made products (or Ipswich provided services, e.g. Financial and Insurance); winning increasingly deeper R&D responsibility, winning responsibility for a different range of products/services (some needing different technologies), securing regional, European or Global marketing responsibility.
 - Parent Group opportunities: Parent Group decision to co-locate/locate nearby another manufacturing or services division, to centralise regional or global corporate services functions at or nearby existing operations, to participate in collaborative research with Universities in Suffolk or to use local supply chain suppliers more globally.
 - Ipswich is particularly rich in foreign direct investment - 47 foreign companies employ around 6,500 staff. In addition, 45 businesses are owned by companies headquartered elsewhere in the UK, employing over 4,800 in Ipswich. Also 20 UK owned and Ipswich headquartered companies, each employing over 100, in all employ around 4,300 in Ipswich. Many of these 112 existing 'larger' clients have the scale/track record to grow further, with driven account management.
85. Another area of work is new projects focused on markets outside Suffolk from clients with no existing inward investment activities in Ipswich (including UK and foreign owned clients with local presence currently solely for the local market). This includes:
- High impact sectors as a particular focus for targeted interventions, building on the 'cluster' effect of these existing strong sectors in Suffolk: Advanced Manufacturing and Engineering, Agri-tech, Energy, ICT & Digital Creative, Environmental, Freight & logistics.
 - Geographic focus: targeting growing companies in locations with significantly higher occupation costs and salary costs, e.g. London, Cambridge, and Oxford.
 - Supply chain focus: by increased relationship management with existing companies, to jointly market with them the opportunity for their supply chain vendors to establish in Suffolk or to add new technologies if already located in Suffolk.

²² <https://democracy.ipswich.gov.uk/ielIssueDetails.aspx?Ild=3164&PlanId=0&Opt=3#AI2024>

86. 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.
87. 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 training²³.
88. The Council's published Duty to Co-operate Statement²⁴ 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 Policy 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.

Relationship to housing growth

89. The adopted Core Strategy 2011 pursued a 'jobs-led' approach to growth based on the (now abolished) Regional Spatial Strategy for the East of England. The ambitious scale of growth set out in the RSS and the Core Strategy has not been achieved to date, against a background of global recession and weakness in the Eurozone as one of the UK's key markets (see National Economic Context). Over the same period, housing completions have continued to take place (but at a lower level than planned) whilst jobs numbers in Ipswich have fluctuated. This serves to demonstrate the complexity of the relationship between jobs and housing.
90. The NPPF places the emphasis on planning proactively to meet the development needs of business, which this paper addresses. However, the relationship between housing and jobs need and growth also needs to be considered.
91. The approach to estimating future growth needs in Ipswich is supported by the use of two models. For population and household projections, the Pop Group model has been used and a figure based on trend migration selected (see Housing Topic Paper). This is considered a sound basis for generating the estimate of the future housing requirement, 13,500 dwellings 2011-2031 (CS7), which underpins the Core Strategy review.
92. For jobs, the East of England Forecasting Model has been used (EEFM – see above). Although it is an economic model, it also has a demographic element and generates population figures. The jobs target included in the Core Strategy review is

²³ <https://www.gov.uk/government/news/greater-ipswich-city-deal-multi-million-pound-investment-in-skills-secured>

²⁴ https://www.ipswich.gov.uk/sites/www.ipswich.gov.uk/files/duty_to_co-operate_statement_nov_14.pdf

approximately 12,500 jobs (CS13), and is supported by the evidence of the 2012-2013 baseline outputs of the model. It is also informed by interventions being made to support jobs delivery as outlined above.

93. The 2013 EEFM baseline autumn run indicates a jobs growth figure of 11,400 jobs between 2011 and 2031, a 'demand for dwellings' increase of 14,400 dwellings and a household increase of 13,900. These figures are close to those identified through the Core Strategy (approximately 12,500 jobs and 13,550 homes 2011 to 2031) and serve as an indication that the relative scales of housing and employment growth set out in the Core Strategy review are reasonable and appropriate.

Conclusion

94. The Core Strategy review therefore identifies through policy CS13 a target to deliver 'approximately 12,500 jobs' across Ipswich Borough 2011 to 2031. This is based on the baseline forecasts produced by the East of England Forecasting Model 2012 to 2013 and regional, county and local strategies to support economic growth and delivery.
95. The delivery of jobs will be supported through the land target set out within revised policy CS13, which is for at least 30ha for business and industrial uses in Use Classes B1, B2 and B8 to be made available to 2031. In addition, the policy retains the Strategic Employment Site Allocation at Futura Park (the former Crane's factory) and recognises the contribution to jobs provision that will be made through other employment-generating land uses such as education and retail uses.
96. Work has been commissioned through the Ipswich Policy Area Board to assess employment land needs across the whole Ipswich functional economic area (i.e. Ipswich plus Suffolk Coastal, Babergh and Mid Suffolk areas). This is expected to report in May 2015. It will help to inform future joint approaches to growth.

October 2015 Update

97. The Council monitors economic development information and, therefore, new information is available to update the local economic picture since the publication of this topic paper in January 2015. Updates are provided below.

Employment Land Needs Assessment

98. Paragraph 28 above refers to a joint, cross-boundary employment land needs assessment being carried out for the Ipswich functional economic area. The report will be published during the autumn. It provides a full analysis of the economy of the Ipswich functional economic area (taken as the whole of Ipswich Borough and Suffolk Coastal, Babergh and Mid Suffolk Districts). The draft early findings of the study in relation to Ipswich are as follows:
 - Ipswich is the key economic driver for its hinterland. Ipswich has traditionally accommodated the county's office market in and around the town centre, particularly for insurance and finance. The industrial market is particularly strong, the main driver being as a result of the proximity to the Port of Felixstowe.
 - Similar to past trends the role of transport connections is going to be particularly important for Ipswich and its surrounding economic area, the strongest of which is the role of the A14. Regular and fast train connections to London are also a driver, particularly of the office market. The rail access also widens the pool of the labour market.

- Therefore, it is necessary for Ipswich Borough Council to allocate employment sites and maintain existing land uses in the town centre and in locations close to the A14.

Economic Activity in the Borough

99. The section of the paper above on the Current Market for Economic Uses in Ipswich reports on various indicators. One of them (paragraph 47) reports on news about business growth in Ipswich, to help build up a picture of the nature and scale of business and industrial activity. Progress since January 2015 includes the following:
- The digital marketing agency, Crafted, has moved into expanded office accommodation at St Vincent House²⁵;
 - A local architectural company KLH Architects has extended its premises and expanded its workforce²⁶;
 - The refurbishment of Fison House on Princes Street to create 43,000 sq ft of modern business space is well underway and due for completion in February 2016.²⁷
 - The Port of Ipswich has opened a new £2.2million warehouse for agri-bulk products²⁸.
100. There have been fewer enquiries about inward investment or the consolidation and expansion of existing businesses within the Borough (paragraph 42) this year than in 2014. Since March 2015, nine such enquiries have been received and the majority of this activity occurred between March and July 2015. Of the nine enquiries received, two were for B1 uses, five for B2 uses and 2 for B8 uses. Enquiries are received via the UKTI, Suffolk County Council, the Ipswich Chamber, the LEP and directly by the Borough Council.

Labour Supply and Employment

101. Figure 7, following paragraph 63 above, shows the Ipswich working age population in employment (excluding self-employed people). This can be updated from the Nomis website to cover the period up to June 2015. The updated Figure 7 below shows that, from October 2013 to September 2014, the proportion of the Ipswich working age population in employment was 72.4%, compared with 75.9% in the East of England. For Ipswich, this is a lower proportion than that shown in the original Figure 7 above of 77.2% for the period October 2012-September 2013. However, the most recent information available through Nomis indicates that the percentage of the working age population in employment increased to 73.3% in Ipswich during the twelve month period from July 2014 to June 2015.

²⁵ Ipswich Star, 22nd September 2015
http://www.ipswichstar.co.uk/news/growing_agency_finds_a_new_ipswich_home_1_4242766

²⁶ Ipswich Star 18th September 2015
http://www.ipswichstar.co.uk/news/mayor_opens_klh_architects_office_extension_1_4238202

²⁷ Ipswich Star, 2nd June 2015
http://www.ipswichstar.co.uk/news/work_starts_on_transforming_former_fisons_house_in_ipswich_into_office_space_1_4095931

²⁸ Ipswich Star 15th June 2015
http://www.ipswichstar.co.uk/news/ipswich_mp_ben_gummer_opens_port_s_new_2_2m_bulk_terminal_1_4112175

Updated Figure 7 Working Age Population in Employment October 2008 to June 2015 (%) – Ipswich and Eastern region

Time period	Ipswich	East of England
Update from Nomis Oct 2015:		
Jul 2014 – Jun 2015	73.3%	76.3%
Oct 2013 – Sept 2014	72.4%	75.9%
Data from Fig. 7 at Dec 2014:		
Oct 2012 – Sept 2013	77.2%	75.1%
Oct 2011 – Sept 2012	73.9%	74.3%
Oct 2010 – Sept 2011	69.1%	73.5%
Oct 2009 – Sept 2010	73.9%	73.5%
Oct 2008 – Sept 2009	77.3%	74.7%

Source: Nomis Area Profiles

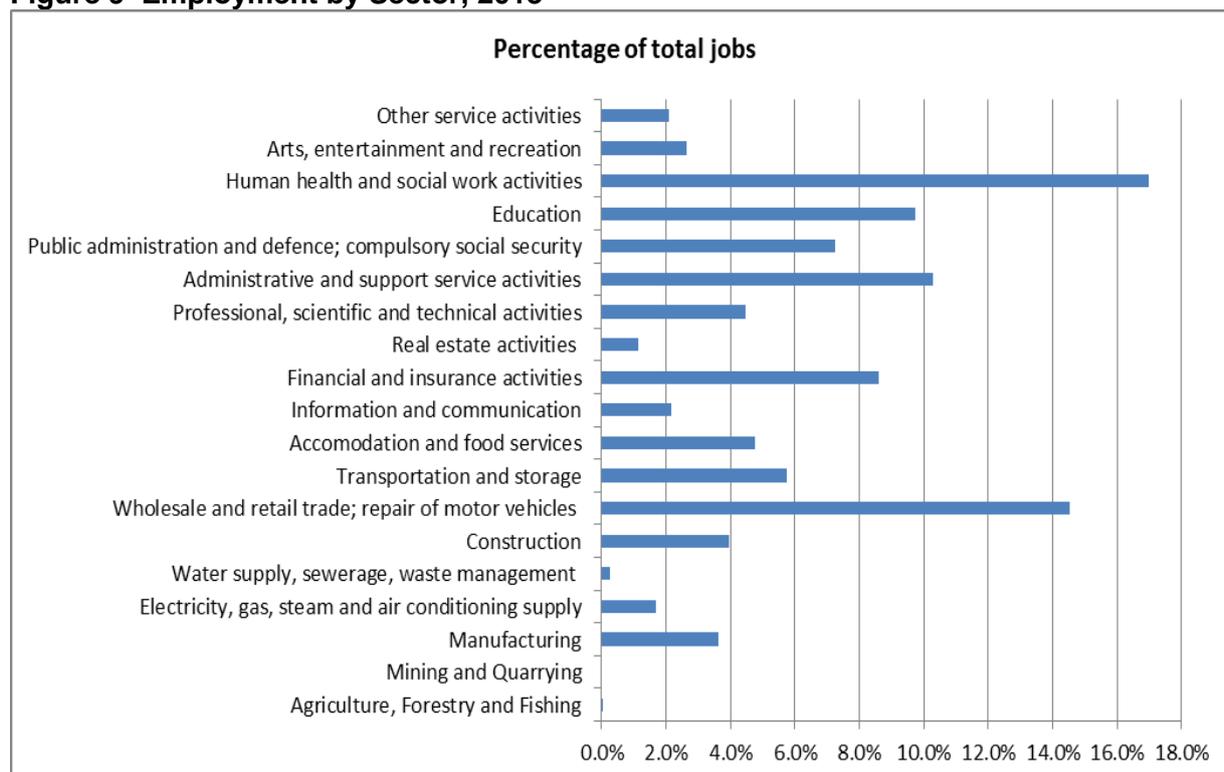
102. Figure 8, following paragraph 66 above, looks at the percentage of the working age population claiming job seekers' allowance. This can be updated to December 2014 and September 2015 as follows, from the Nomis web site. The figures below indicate that the number of people in Ipswich claiming job seekers' allowance was lower in December 2014 than December 2013, and was lower again in September 2015.

Updated Figure 8 Working Age Population claiming Job Seekers' Allowance December 2006-September 2015 (%) – Ipswich and Eastern region

Date	Ipswich	East of England
Update from Nomis Oct 2015:		
September 2015	2.1%	1.2%
December 2014	2.3%	1.4%
Data from Fig. 8 at Dec 2014:		
December 2013	3.5%	2.2%
December 2012	4.4%	2.9%
December 2011	4.8%	3.1%
December 2010	4.0%	2.8%
December 2009	4.8%	3.2%
December 2008	3.5%	2.3%
December 2007	2.8%	1.5%
December 2006	2.9%	1.8%

103. Figure 6 in the original report above shows employment by sector in the Ipswich economy at 2011. Information available through the Interdepartmental Business Register 2013 provides a more recent snapshot of employment by sector at 2013, which is shown in the graph below. Some of the sectors are labelled slightly differently from in Figure 6, but are sufficiently similar to allow broad comparison. The 2013 information from the Interdepartmental Business Register is actual, record-based information in contrast to the Business Register and Employment Survey, which is sample-based information. New Figure 9 below shows that, at 2013, the five largest sectors for employment were health and social work, wholesale and retail trade, administrative and support services, education, and financial and insurance activities. These are very similar to those identified in 2011 (health and care, retail, education, finance and public administration).

Figure 9 Employment by Sector, 2013



Source: Interdepartmental Business Register 2013

Employment Land Availability

104. Employment land development and availability, new planning permissions for employment uses, and the loss of employment land to non-B uses are monitored through the Council's Employment Land Availability Report. Headline figures from the report looking at the period from April 2014 to March 2015 indicate that:

- There is 70.88ha of employment land available within the Borough, consisting of 2.75ha with unimplemented planning permission, 18.73ha on allocated land and 49.40ha on vacant land within identified employment areas. This shows a small decrease since April 2014 when there was 71.94ha available.
- There have been no employment development completions on allocated sites or within employment areas over the 12 month period.
- There are 88 units vacant within the designated employment areas, a reduction from 98 vacant units at April 2014.
- Since 2013, the local planning authority has received a total of 31 Prior Notification applications of change of use from B1a office floorspace to C3 residential under the Town and Country Planning (General Permitted Development) (England) Order 2015. Of these, 3 have been withdrawn and 1 refused. These applications have resulted in the loss of 23,766 sq m of office accommodation across the town.

East of England Forecasting Model 2014

105. Paragraph 55 above refers to figures for jobs growth produced through the baseline runs of the East of England Forecasting Model. The 2014 baseline run had only just been published at the time the topic paper was prepared. It forecasts jobs growth of 12,400 from 2011 to 2031. See updated Figure 4 below.

Updated Figure 4 Number of jobs in Ipswich 1991 to 2031



Source: East of England Forecasting Model, baseline run, Autumn 2014

106. The alternative scenarios have not been published for 2014 and, therefore, currently it is not possible to update Figure 5. However, the model's outputs on demographic growth can be considered and these forecast growth in households of 14,200 2011-2031 and in demand for dwellings of 14,700. The 2014 figures are still considered to indicate that the scale of housing and employment growth set out in the Core Strategy Review is appropriate and aligned.

New Anglia Local Enterprise Partnership (LEP) activity

107. During 2015, New Anglia LEP has set up a Local transport Body to deliver transport infrastructure improvements funded through the Growth Deal. It has secured £2m for feasibility work on the Ipswich Wet Dock Crossing. It is also leading a campaign for investment in East Anglia's rail infrastructure, for example to improve rail journey times between London, Ipswich and Norwich. This sits alongside its existing activities to support the delivery of infrastructure (such as the Ipswich tidal barrier) and improve skills.

October 2015 Update Conclusion

108. There are mixed signals from the indicators about the Ipswich economy which have been reviewed through the October 2015 Update. There was no new employment land development in Ipswich between April 2014 and March 2015, but the number of vacant units within employment areas has declined. Only one such unit is accounted for by permitted development changes from business use (Use Class B1a) to residential use (Use Class C3).

- 109 There has been positive progress with the business moves and expansions which were flagged at the end of 2014. Most have now taken place or are underway, for example the refurbishment of Fison House. In addition, latest data on job seekers' allowance shows that the percentage of the working age population claiming has fallen. The local planning authority will continue to keep employment delivery and economic indicators and evidence under review.
110. The proposed Pre-Submission Main Modification to Policy CS13 Planning for Jobs Growth simply introduces a change to the policy wording. The Proposed Submission wording of November 2014, 'in the region of 12,500 jobs', is amended to 'approximately 12,500 jobs in the Borough' for the purposes of clarification only. This topic paper has been revised to refer to the wording proposed through the Pre-Submission Main Modification. The proposed Pre-Submission Main Modifications to the Site Allocations and Policies (Incorporating IP-One Area Action Plan) development plan document update the position on sites to 1st April 2015. As a result, two new sites for mixed use have been added to policy SP5 Land allocated for employment use, because their planning consents lapsed between 1st April 2014 and 31st March 2015 – IP132 Former St Peters Warehouse Site, 4 Bridge Street and IP047 Land at Commercial Road. The two sites have been added to Appendix 1 and the job estimates updated accordingly.

Appendix 1 Job Capacity Estimates for Allocated Employment Sites (Site Allocations DPD SP5)

Site	Address	Site Area ha	Notes	Job estimate ²⁹
Sites for 100% employment uses (B1, B2, B8)				
IP058	Former Volvo site, Raeburn Rd South	5.82	Suitable for B1 (excluding B1a), B2 or B8	50% B1c 124 50% B2 284 Total 408 jobs
IP067	Former British Energy Site	4.66	Suitable for B1 (excluding B1a), B2 or B8	B1c, single storey 198 jobs
IP094	Land to rear of Grafton House	0.31	Suitable for B1a office use	100% B1a, 5 storeys 258 jobs
IP099	Part of former Volvo Site, Raeburn Road South	2.30	Suitable for B1 (excluding B1a), B2 or B8	100% B2, single storey 224 jobs
IP140	Land north of Whitton Lane	6.93	Suitable primarily for B1 with some B2 and B8. Delivery expected in the medium to long term. Should be planned comprehensively as part of a larger scheme with adjacent land in Mid Suffolk but the two areas could come forward in phases. Subject to suitable access being provided.	33% B1a & B1c (66% B1a 3 storeys, to 33% B1c single storey) 803 33% B2 225 33% B8 125 Total 1,143 jobs
IP146	Ransomes Europark (east)/Land around Makro	5.29	Suitable for B1, B2 or B8 Development shall design in wildlife corridors to maintain a linked network of habitats including the lagoon and the plantation.	33% B1 1208 33% B2 503 33% B8 91 Total 1,802 jobs

²⁹ Employee densities used are based on the Employee Densities Guide 2nd Edition, 2010, Drivers Jonas Deloitte for HCA and OffPAT.

IP147	Land between railway junction and Hadleigh Road	4.7	Suitable for B1, B2 or B8 (excluding office use)	100% B2 457 jobs
IP150 c	Land south of Ravenswood	4.62	Suitable for B1	33% B1a, 3 storeys, 770 jobs 33% B1b 65 Jobs 33% B1c 65 jobs Total 900 jobs
IP152	Airport Farm Kennels	7.37	A site for longer term development subject to access improvements. Suitable for B1 (excluding office use B1a), B2 or B8.	B1 33% 1228 B2 33% 239 B8 33% 123 Total 1590 jobs
Sub total		42.00		6,980 jobs
Land allocated for employment uses with a mix of other uses				
(site area reduced accordingly although development may occupy entire ground floor of a multi-storey development, for example)				
Site	Address	Site Area ha	Notes	Job estimate
IP004	Bus depot Sir Alf Ramsey Way	1.07 (50%) = 0.53	50% employment as part of mixed use scheme with housing	B1a x 3 storeys 268 jobs
IP011 b	Smart St / Foundation St	0.69 (20%) = 0.14	As part of mixed use scheme with housing	B1a x 3 storeys 69 jobs
IP015	West End Road surface car park	1.22 (10%) = 0.12	As part of mixed use scheme with car parking and some housing	B1a x 5 storeys 102 jobs
IP035	Key Street / Star Lane / Burtons (St Peter Port)	0.54 (30%) = 0.16	As part of mixed use scheme with B1 office, hotel, small scale retail and car parking Planning application 11/00708/FUL 8342 sq m B1; 1689 A1/A3; Hotels 335 bedrooms	Planning application job estimate 300 jobs
IP037	Island Site	6.02 (30%) = 1.8	B1 uses compatible with housing expected as part of mixed use redevelopment,	B1 x 3 storeys 903 jobs

			<p>plus the retention of boat related uses including boat building. The use proportions will be firmed up through the preparation of a master plan. See also Opportunity Area A development principles and guidelines in Part C.</p> <p>Additional vehicular and foot/cycle access (including emergency access) will need to be provided to enable the site's development.</p>	
IP043	Commercial Buildings & Jewish Burial Ground Star Lane	0.70 (20%) = 0.14	Suitable for B1 / leisure as within the town centre boundary, as part of a mixed use development with housing	Assumed B1a x 5 storeys 116 jobs
IP047	IP047 Land at Commercial Road	2.86 (40%) = 1.14	As part of a mixed use scheme with 40% housing and 20% public open Space and enhanced river path. The B1a element could also include hotel and leisure uses.	Assumed B1a x 3 storeys 570 jobs
IP051	Old Cattle Market Portman Road	2.21 (80%) = 1.77	<p>Prime town centre site for new B1a office development</p> <p>80% B1a and 20% main town centre uses such as hotel / leisure (excluding retail). Numerically like for like replacement of existing long-stay car parking provision in this area will be required prior to the parking being lost. Offices with large floor plates in an office campus design approach are likely to be developed.</p>	<p>B1a x 5 storeys</p> <p>1475 jobs</p> <p>C1 hotel assume 92 bedrooms 4/5 star 74 jobs</p> <p>Total 1549 jobs</p>
IP052	Land between Lower Orwell St & Star Lane	0.40 (20%) = 0.08	As part of mixed use scheme with housing. The site currently has planning permission for student accommodation but is considered unlikely to proceed.	B1 x 3 storeys 40 jobs
IP054	Land between Old Cattle Market & star Lane	1.72 (70%) = 1.2	A key site linking the shopping centre and Waterfront - mixed use including significant B1a	B1a x 3 storeys 602 jobs

			office to east of Turret Lane – may also need to provide for an extended electricity sub-station. Could include some short stay car parking.	
IP132	Former St Peters Warehouse Site, 4 Bridge Street	0.18 ha / 0.05 ha	B1a office, leisure, small scale retail as part of a mixed use scheme of 73 dwellings	Assumed B1 x 2 storeys 60 jobs
Sub total		7.13		4,579 jobs
	TOTAL	49.13		11,559 jobs

Other sources of employment – Sites allocated through the Site Allocations DPD and Core Strategy Review

Site	Address	Site Area ha	Allocation	Job estimate
IP040	Land at Westgate (Policy SP10)	1.6	Retail-led mixed use to provide in region of 15,000 sq m net new A1 floor space	15,000 – 20% = 12,000 NIA / 19 sq m per employee = 631 631 jobs
IP049	No 8 Shed, Orwell Quay (Policy SP12)	0.76	Car parking plus one or a combination of: education (UCS teaching space); student accommodation; office space; Waterfront uses	Assume 33% car parking, 33% student accommodation and 33% spin-off office accommodation 0.76 x 33% = 0.2508ha 2508 sq m x 25% = 627 sq m net 627 x 5 storeys = 3135 sq m – 20% = 2508 sq m NIA 2508 / 12sq m = 209 209 jobs
N/A	Futura Park (former Crane's Factory) (Core Strategy Policy CS13 strategic employment)	10	Strategic Employment Site	33% B1 = 1650 33% B2 = 320 33% B8 = 165

	allocation)			2,135 jobs
IP005	Former Took's Bakery Old Norwich Road (Policy SP7)	2.8	20% Health Centre	25 jobs estimated based on existing Ipswich GP practices 25 jobs
IP258	Land at UCS (Policy SP7)	1.58	New primary school	Typical new primary of this size would be c. 19 staff 19 jobs
IP150b	Land at Ravenswood (Policy SP7)	9.6	Sports park	No estimate made – may be managed by existing IBC staff.
IP149	Pond Hall Carr and Farm (Policy SP8)	24.7	Country Park extension (and possible future visitors' facility)	No estimate made – still subject to assessment and may be managed by existing IBC staff
IP260	The former Odeon Cinema (Policy SP7)	0.2	Leisure uses	Gross building footprint (measured) 1278.9 sq m – 20% ³⁰ = 1023.12 x 3 storeys = 3069 sq m / 90 sq m per employee = 34 jobs 34 jobs
Policy SP12	Education Quarter (Policy SP12)	-	Education and ancillary uses	No estimate has been included at this stage for the further development of the UCS Campus, pending completion of an estate review. However, there is likely to be additional employment created.
	Sub Total			3,053 jobs
	TOTAL with B class jobs			14,612 jobs

³⁰ No guidance on typical Net Internal Area for D2 use therefore -20% used as for B1a offices