Topic Paper: Employment

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

January 2014
Introduction

What the Council is doing

1. The Council is currently preparing a focused review of its adopted Core Strategy and Policies development plan document (December 2011) and a draft 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. The Core Strategy and Policies development plan document focused review (hereinafter referred to as the Core Strategy focused review) will replace the adopted Core Strategy and Policies development plan document when adopted (anticipated in 2015).

3. The Site Allocations and Policies (incorporating IP-One Area Action Plan) development plan document (DPD) (hereinafter referred to as the Site Allocations Plan) replaces the 2007 Site Allocations and Policies DPD preferred options and the 2007 IP-One Area Action Plan preferred options. This document will also replace the remaining saved policies of the adopted Ipswich Local Plan (November 1997) when adopted (anticipated in 2015).

4. The Council is undertaking a public consultation on the changes to the adopted Core Strategy (2011) in the draft Core Strategy focused review, the Site Allocations Plan and their supporting sustainability appraisal and appropriate assessment reports. Public consultation is also being undertaken on a draft Ipswich Garden Suburb supplementary planning document (SPD) and its sustainability appraisal. The consultation period will run from Monday 13th January to Monday 10th March 2014 and further details can be found on the Council’s website, www.ipswich.gov.uk, at the Council’s offices at Grafton House and the Customer Service Centre at the Town Hall, or in Ipswich libraries.

5. The Core Strategy focused review and the Site Allocations Plan will undergo a further round of public consultation in the summer of 2014 before an Examination in Public (anticipated in late 2014) prior to any adoption by the Council. Comments on the Ipswich Garden Suburb SPD will be considered prior to adoption by the Council after the Examination in Public of the Core Strategy focused review.

National Planning Policy Framework

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 guidance 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 whether it has been prepared in accordance with the Duty to Co-operate, legal and procedural requirements, and whether it is sound.

8. 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)

9. 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 with delay’ and plans include ‘clear policies that will guide how the presumption should be applied locally’ (p. 4).

National Planning Policy – Employment

10. 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).

11. 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. The Infrastructure Topic Paper deals with infrastructure provision and the transition to Community Infrastructure Levy. This topic paper explains the background to the revised jobs target of 12,500 jobs to be provided to 2031 as set out in Policy CS13 of the Core Strategy Focused Review.

12. 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).

13. 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.

14. This paper sets out the Council’s approach to identifying the need for business and industrial floorspace and how it intends to meet this need through the identification of sites for development.

The Ipswich economy

15. The Suffolk Haven Gateway Employment Land Review 2009 (the ‘ELR’) 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 that 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%)\(^1\) which includes health and education.

16. However, structural change is ongoing with reductions in funding and employees in the public sector. The ELR anticipates that 50% of future jobs growth will be non-B class jobs, such as in retail, education and hotels. The forecasts of growth in certain sectors have implications for land use planning, since they suggest that office accommodation (Use Class B1)\(^2\) and storage and distribution space (Use Class B8) will be most in demand for the future as well as land for non-B Class uses, such as retail, leisure and education.

17. Ipswich’s stock of offices grew by 30% in the period 1998-2008 far in excess of the regional average (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 and supply is tight across all sizes.

18. More up to date information on the Ipswich (town, rather than Borough) office floorspace market indicates that the first half of 2013 saw a reduction in office floorspace transactions, after a relatively good year in 2012. 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 office stock to £14.50 for prime space.

19. 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 range from £2.50 per square foot for secondary, poor quality floorspace to £5 for prime space. (Bidwells Business Space Data Book Autumn 2013)

The Ipswich labour supply

20. Ipswich has a large working age (16-64) population 65.7% (87,566 people) compared with the rest of Suffolk 61.0% (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 £381.

21. The percentage of working age residents in employment in Ipswich is shown below, compared with the East of England.

<table>
<thead>
<tr>
<th>Time period</th>
<th>Ipswich</th>
<th>East of England</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct 2012 – Sept 2013</td>
<td>77.2%</td>
<td>75.1%</td>
</tr>
<tr>
<td>Oct 2011 – Sept 2012</td>
<td>73.9%</td>
<td>74.3%</td>
</tr>
<tr>
<td>Oct 2010 – Sept 2011</td>
<td>69.1%</td>
<td>73.5%</td>
</tr>
<tr>
<td>Oct 2009 – Sept 2010</td>
<td>73.9%</td>
<td>73.5%</td>
</tr>
<tr>
<td>Oct 2008 – Sept 2009</td>
<td>77.3%</td>
<td>74.7%</td>
</tr>
</tbody>
</table>

Source: Nomis

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\(^1\) Employment Land Review para 4.3 page 115. Core Document Library reference ACD04

\(^2\) Town and Country Planning (Use Classes) Order 1987 (amended)
22. Thus over the last five years, 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.

23. In 2011, 52% of young children in Suffolk achieved at least 78 points across the Early Years Foundation Stage, 6% more than in 2009. However, this was 3% lower than the regional average and 7% lower than the national average. Low achievement in the early years correlates with low educational achievement later on. It also overlaps with areas of deprivation.

24. According to Index of Multiple Deprivation 2010, 26.6% of the town’s population lives within the most deprived fifth of areas in England, with Ipswich ranking 72nd out of 294 local authorities in terms of the extent of deprivation. Within the town there are nine areas that are ranked within the top 10% most deprived areas nationally. These are small areas generally located within the north-western and south-eastern parts of the Borough.

25. The average proportion of pupils at Key Stage 4 gaining five or more A*-C grades including English and Maths over the five academic years (2008-2012) was 44.7% in Ipswich compared with 52% in Suffolk.

26. 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%).

27. 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, which is 29.1% of the total in Suffolk.

28. Ipswich has consistently exceeded the regional rate of the working age population claiming Job Seekers’ Allowance (JSA). The figures below track the JSA rate back to 2006, to show the impact of the financial downturn on claimant rates.

**Working Age Population claiming Job Seekers’ Allowance December 2006-December 2013 (%) – Ipswich and Eastern region**

<table>
<thead>
<tr>
<th>Time</th>
<th>Ipswich</th>
<th>East of England</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 2013</td>
<td>3.5%</td>
<td>2.2%</td>
</tr>
<tr>
<td>December 2012</td>
<td>4.4%</td>
<td>2.9%</td>
</tr>
<tr>
<td>December 2011</td>
<td>4.8%</td>
<td>3.1%</td>
</tr>
<tr>
<td>December 2010</td>
<td>4.0%</td>
<td>2.8%</td>
</tr>
<tr>
<td>December 2009</td>
<td>4.8%</td>
<td>3.2%</td>
</tr>
<tr>
<td>December 2008</td>
<td>3.5%</td>
<td>2.3%</td>
</tr>
<tr>
<td>December 2007</td>
<td>2.8%</td>
<td>1.5%</td>
</tr>
<tr>
<td>December 2006</td>
<td>2.9%</td>
<td>1.8%</td>
</tr>
</tbody>
</table>
29. 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 tends to have higher rates of Job Seekers’ Allowance claimants than the regional average, and lower educational attainment and skills levels.

**Employment land trends**

30. In Ipswich, 1,396 sq metres (0.14ha) of employment floorspace for business, general industry or warehousing and distribution (Use Classes B1, B2 and B8) was completed April 2011-March 2012. Over the same period, 0.07 ha of employment land were lost to other uses, including residential. Land available for employment development at April 2012 amounted to 71.74 hectares, consisting of sites with planning permission, sites allocated in the 1997 Local Plan and sites available in Employment Areas. The graph below shows employment land completions in Ipswich from 1991 to 2012.

**Figure 5 Employment land completions in Ipswich mid-1991 to March 2012**

![Graph showing employment land completions 1991-2012](image_url)

31. From mid-2001 to March 2012, average employment land completions were 2.08ha per annum. The graph 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 2.08 x 20 years or 41.6ha.

**Employment forecasts**

32. The number of jobs which exist in an area is measured through the Annual Business Inquiry (ABI), which is now known as the Business Register (BRES). The East of England Forecasting Model (EEFM) takes trend data on jobs for the eastern region and its constituent local planning authority areas and projects it forward. Baseline
forecasts are produced each year. The graph below shows the EEFM baseline forecasts published in 2012, based on BRES figures up to 2011 and forecasts to 2031. This has been used as the most up to date modelled information available at the time to inform the draft Core Strategy focused review. Any updates to the EEFM baseline will be taken into account at the next stage of plan preparation.

**Figure 4 Number of jobs in Ipswich 1991 to 2031 - EEFM**

![Number of jobs ('000s)](image)

Source: East of England Forecasting Model 2012

33. The 2012 EEFM baseline forecast estimates that Ipswich had 74,500 jobs at 2011 and that this will rise by 7,500 to 82,000 by 2021 and by 12,700 to 87,200 by 2031.

**Sector strengths in Ipswich**

34. The current sector strengths in Ipswich stem from four key areas of activity:

- Public sector activity, which includes the County and Borough Council headquarters, Suffolk New College and University Campus Suffolk, Ipswich Hospital and other public offices;
- The concentration of insurance expertise, which includes AXA and Willis as well as a range of other major insurance sector businesses;
- A relatively high volume of IT expertise, largely connected with BT’s research activity at Adastral Park within the Ipswich Policy Area; and
- Port and freight activity linked to Ipswich and Felixstowe Ports.

35. Further information on these sectors may be found in the Ipswich Economic Strategy 2013 (Chapter 5). 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.
36. 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, focusing on the sectors providing 500 or more jobs in either year. Two significant sectors which are forecast to continue to shrink over the period are public administration and manufacturing. The majority of the other sectors show continued forecast growth in employment.

**Employment by sector in Ipswich (number of jobs), 2011 (actual) and 2031 (forecast) – EEFM 2012**

<table>
<thead>
<tr>
<th>Sector</th>
<th>2011 jobs</th>
<th>2031 jobs</th>
<th>Change (+/-)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health and care</td>
<td>12,600</td>
<td>14,600</td>
<td>+</td>
</tr>
<tr>
<td>Retail</td>
<td>8,200</td>
<td>9,700</td>
<td>+</td>
</tr>
<tr>
<td>Education</td>
<td>6,600</td>
<td>6,800</td>
<td>+</td>
</tr>
<tr>
<td>Finance</td>
<td>5,400</td>
<td>5,700</td>
<td>+</td>
</tr>
<tr>
<td>Public administration</td>
<td>5,400</td>
<td>5,000</td>
<td>-</td>
</tr>
<tr>
<td>Transport – land, water &amp; air</td>
<td>4,300</td>
<td>4,900</td>
<td>+</td>
</tr>
<tr>
<td>Hotels &amp; restaurants</td>
<td>4,200</td>
<td>5,000</td>
<td>+</td>
</tr>
<tr>
<td>Wholesale</td>
<td>3,800</td>
<td>4,400</td>
<td>+</td>
</tr>
<tr>
<td>Professional services</td>
<td>3,800</td>
<td>6,100</td>
<td>+</td>
</tr>
<tr>
<td>Construction</td>
<td>3,400</td>
<td>4,800</td>
<td>+</td>
</tr>
<tr>
<td>Business services</td>
<td>2,600</td>
<td>3,800</td>
<td>+</td>
</tr>
<tr>
<td>Employment activities</td>
<td>2,500</td>
<td>3,700</td>
<td>+</td>
</tr>
<tr>
<td>Arts &amp; entertainment</td>
<td>2,400</td>
<td>3,400</td>
<td>+</td>
</tr>
<tr>
<td>Other services</td>
<td>2,400</td>
<td>2,700</td>
<td>+</td>
</tr>
<tr>
<td>General Manufacturing</td>
<td>1,300</td>
<td>900</td>
<td>-</td>
</tr>
<tr>
<td>Real estate</td>
<td>1,100</td>
<td>1,800</td>
<td>+</td>
</tr>
<tr>
<td>Computer related activity</td>
<td>900</td>
<td>900</td>
<td>~</td>
</tr>
<tr>
<td>Transport</td>
<td>800</td>
<td>500</td>
<td>-</td>
</tr>
<tr>
<td>Utilities</td>
<td>800</td>
<td>600</td>
<td>-</td>
</tr>
<tr>
<td>Publishing &amp; broadcasting</td>
<td>500</td>
<td>600</td>
<td>+</td>
</tr>
<tr>
<td>Telecoms</td>
<td>500</td>
<td>600</td>
<td>+</td>
</tr>
</tbody>
</table>

37. There are three key strategies currently being implemented to promote and support economic growth in Ipswich, Suffolk and the region. All of them identify key sectors with potential for growth and there is a strong degree of overlap between them.

38. The New Anglia Local Enterprise Partnership (NALEP) promotes economic growth across the area of Norfolk and Suffolk and is currently consulting on its draft Strategic Economic Plan (January 2014), following on from its document ‘Towards a Growth Plan’ in 2012. It identifies the key sectors in Norfolk and Suffolk currently as:

- Energy (including gas, nuclear and wind)
- Advanced manufacturing/engineering
- Food, drink, agriculture (including agri-tech)
- Life sciences
- Information and communications technology (ICT) and Digital and Cultural Creative Industries
- Tourism and cultural creative
- Financial and business services
- Ports and logistics

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3 An example of wholesale activity is the sale of motor vehicles.
4 An example of professional services is legal services.
5 An example of employment activities is employment agencies.
39. Whilst all these sectors are considered important to the regional economy and are receiving the LEP’s support, the priority sectors identified for intervention which are considered to have the greatest potential to increase GVA are: energy, advanced manufacturing, food and agri-tech, life sciences and ICT and Digital Creative. These 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’. The Strategy states that, in addition, continued support will be provided to the key sectors not prioritised.

40. 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 key to future growth in Suffolk:

- Energy
- Advanced manufacturing
- Information and communication technology
- Finance
- Food, drink and agriculture
- Port and logistics
- Tourism
- Creative and cultural industries, and
- Biotechnology.

41. Of these, the Ipswich Economic Strategy 2013 highlights all except advanced manufacturing, biotechnology and food, drink and agriculture as particularly significant in Ipswich. A draft implementation plan for the Ipswich Economic Strategy, September 2013, identifies actions the Council is taking or will take to support the Ipswich economy.

The employment target for Ipswich

42. Core Strategy Focused Review policy CS13 states the aim to encourage the provision of ‘in the region of 12,500 jobs’ within the Borough to 2031, based on the 2012 baseline forecast from the EEFM. The Core Strategy Focused 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 deliver sustainable economic growth.

43. This will be done through a range of actions, which includes the following clause a. from the policy (strike through and underlining highlights changes proposed to the adopted Core Strategy text):

a. allocating at least 30ha of land for employment development (in Use Classes B1, B2 and B8) through the Site Allocations and Policies (incorporating IP-One Area Action Plan) and Site Allocations and Policies development plan documents;
44. Policy DM42 of the Site Allocations Plan allocates 42.9ha of land for employment uses (in use classes B1 business, B2 general industry or B8 storage and distribution). Nearly 37ha 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 just over 10,000 new jobs (based on the Homes and Communities Employment Densities Guide).

45. The 30ha figure in CS13 also takes account of the employment land capacity within the Borough. The allocations of land for employment (that is, business and industrial uses) through DM42 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.

46. Further jobs would be delivered through the Strategic Employment Site allocated through the Core Strategy (now known as ‘Futura Park’), and development in other sectors, including new retail and education development on sites allocated through the Site Allocations Plan. These are referred to in clause c. of policy CS13:

   c. allocating land for other employment-generating uses including education, leisure, tourism and hospitality, and retail development and leisure development, through the Site Allocations and Policies (incorporating IP-One Area Action Plan) and Site Allocations and Policies development plan documents;

47. 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.

Conclusion

48. The draft Core Strategy Focused Review therefore identifies through policy CS13 a target to deliver ‘in the region of 12,500 jobs’ across Ipswich Borough 2011 to 2031. This is based on the baseline forecast produced by the East of England Forecasting Model 2012 run.

49. The delivery of jobs will be supported through the land target set out within revised policy CS13, which remains 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 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.

50. Strategies are also being put in place through collaborative work at the local, county and regional level to support the delivery of jobs in key employment sectors across Ipswich, the Ipswich Policy Area and the sub-region.