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1 Employment Land Demand Forecasts

1.1 Overview

This study responds to a number of significant changes in Newark and Sherwood that have occurred since Arup's previous Employment Land Review (ELR) conducted for the Northern Sub Region of the East Midlands in 2006.

In particular, these changes point to the need for an increased employment land requirement in the future and therefore a re-examination of the overall requirement for Newark and Sherwood as previously estimated in the 2006 ELR for the sub-Region.

These factors are examined in the following sections and an overall view is formed in the concluding findings of the report.

2 The Need For Reviewing Employment Land Provision in Newark and Sherwood

2.1 Northern Sub Region Employment Land Review

Arup were appointed in 2006 by Nottinghamshire County Council, with Derbyshire County Council and seven Local Authorities¹, to undertake an ELR for the Northern Sub Region of the East Midlands. The ELR provided vital evidence to inform the development of Local Development Frameworks (LDF) in the Sub-Region and sub regional proposals relating to the review of the Regional Spatial Strategy (RSS). In undertaking this work a number of scenarios were developed and used to develop a series of projections for potential land requirements up until the year 2026.

The ELR concluded that it was desirable to provide more land than has been taken up in the last few years in order to attract new businesses to the area. 'The Reducing Out-Commuting' and 'Housing Scenarios' (details of the scenarios are provided in Section 2) were generally considered to be the more desirable scenarios. Given the problems inherent in identifying one clear scenario for the

¹ Ashfield District Council, Mansfield District Council, Newark and Sherwood District Council, Bassetlaw District Council, Bolsover District Council, Chesterfield District Council and North East Derbyshire District Council.

Sub-Region as a whole (particularly allowing for the varying aspirations and characteristics of the seven Districts), it was concluded that a range of projections should be used that could be tailored to fit the specific requirements of individual Local Authorities.

Table 1 (below) shows the employment land ranges identified for each District on the basis of the demand analysis focusing on the RSS housing and Reducing-Out-Commuting scenarios.

Table 1: Exert Presenting the Employment Land Ranges Identified for Each District in the 2006 Study

	Ashfield District*	Bassetlaw District	Chesterfield Borough	Mansfield District	Newark and Sherwood District	North East Derbyshire District
Suggested Range of Demand (net)	9.9-34.5	79.5-92.5	29-44.4	23.7-35.2	31.0-52.6	36.9-68.2

**Excluding Hucknall*

NB: All demand projections in the Northern Sub-Region ELR have been calculated to one decimal place. However, no significance should be attached to these figures as demand projections are necessarily estimates of future demand based on certain assumptions and it is not possible to generate demand projections with precision.

2.2 Newark and Sherwood District

Newark and Sherwood District covers a diverse area ranging from traditional colliery areas to the west, a predominantly rural environment within the centre and the Sub-Regional centre at Newark, together with the key transport corridors of the A1 and the A46. Newark town has experienced good levels of growth in recent years, with established industrial areas (including Dixon's main distribution facility on the A1 at Newark).

When the Northern Sub Region ELR was being carried out from 2006 until 2008, it was recognised that the area may experience substantial economic expansion following the Growth Point designation so it was recommended that the higher part of the 31 to 52.6 hectare range (net) should be used to inform the District's emerging LDF. However, as the area had not been designated, and endorsed in the East Midlands Regional Plan, at the commencement of the study, the impact on the recommended range may not have been as large as it would have been if

the study was carried out in 2010. It should also be emphasised that these figures are net of employment land losses and would need to be supplemented with additional allocations to compensate for future losses of employment land.

Since the completion of this study there have been a number of significant changes in Newark and Sherwood that have led the Council to suggest that the amount of employment land required is significantly above that suggested in the 2006 ELR and thus required an update of the ELR to be carried out. These drivers are discussed in section 2.

3 Updating Forecasts to Reflect Changes Since 2006

3.1 Introduction

The Northern Sub Region ELR produced in 2006 was a joint ELR that covered the needs of 7 local planning authorities.

The methodology adopted was therefore developed in order to meet the objectives of each authority in a consistent way. It is therefore prudent to revisit the forecasts for Newark and Sherwood using a more bespoke methodology. In addition, there is also the need to take into account a number of significant developments that have occurred since 2006. These include:

- The preparation of the Newark and Sherwood Core Strategy.
- The District's Growth Point Status (as endorsed in the East Midlands Regional Plan (RSS)).
- Securing of major highways infrastructure improvements for the A46.
- A drive towards new market sectors that include high and low density employment generating uses.
- Emerging evidence of the role the District can make a significant contribution to strategic logistics and distribution.
- The implications of renewable and low carbon energy on land demand.
- The implications of landscape characteristics on land use and the need for increased land to accommodate new development in a sustainable way.

3.2 The Preparation of the Core Strategy

The Core Strategy is now being prepared ready for submission for Examination in Public. The Strategy presents the need for between 200 – 210 hectares of employment land between 2006 and 2026. This requires the allocation of new employment land with the largest new allocations (80 – 87hectares) being in the Newark Area, and up to 11 hectares in the Mansfield Fringe Area.

A key policy in the supply of land and delivery of employment development is Spatial Policy 5: that it is integrated with housing development through the three strategic sites that are allocated in the supporting proposals map in the following locations. These are:

- Land South of Newark;
- Land East of Newark; and
- Land around Fernwood.

The policy states that planning consent will be granted for mixed use development at those locations which comply with the detailed development principles and requirements set out in Newark Area Policy 2A (Land South of Newark), Newark Area Policy 2B (Land East of Newark) and Newark Area Policy 2C (Land around Fernwood).

3.3 Growth Point Status

While the District Council initially submitted a bid for Growth Point status in May 2006, it was not until later in that year, that Government designated Newark and Sherwood as a New Growth Point (one of 29 successful bids around the country). The Government made it clear that levels of growth envisaged would be subject to comprehensive testing and public consultation through the regional and local planning process to ensure that bid proposals were sustainable, acceptable environmentally and realistic in terms of infrastructure. In terms of the regional context, it was not until 12 March 2009, that the then Secretary of State for Communities and Local Government published the East Midlands Regional Plan, which endorsed the Newark and Sherwood New Growth Point Status.

The Newark and Sherwood Publication Core Strategy identifies the need to build 14,800 dwellings by 2026. This requires a significant amount of additional sites to come forward to accommodate this level of growth.

Land South of Newark which is predominantly in the ownership of Catesby Property Group will be brought forward to deliver the majority of Newark's growth. This land is a large scale site capable of delivering an urban extension, having the capacity to deliver over 3,000 homes (though originally envisaged to

be higher than this) and substantial new employment land, together with a significant element of affordable housing and associated infrastructure. Growth Point considerations have had to evolve to include additional sites both within the Newark area and the wider District although it is envisaged that land south of Newark will still deliver the majority of growth.

There is presently a level of uncertainty surrounding the future of strategic housing targets. The newly formed coalition Government has made announcements to abolish RSS from the 6 July 2010 onwards. What remains certain is that significant levels of new build housing will continue to be required to meet housing need in the District, and that the scale and nature of new development will be devolved to local levels rather than regional tiers. All communication by Government to date suggest that the aspirations of NSDC and its Growth Point status could be supported and that housing growth and development generally being encouraged by Government.

Whatever the precise volume delivered in the District is, the delivery of substantial new housing through the Growth Point initiative will lead to a significant increase in the population. The implication of this is a much larger labour pool residing in the District and one potentially with a wider range of skills. The size and quality of the labour pool in an area is a key factor determining the location decisions of firms and therefore the enlargement and enhancement of the labour offer in Newark is likely to result in a positive impact in terms of business investment. This could mean that new businesses will be attracted to locate in the area that previously would not have considered Newark and Sherwood as an attractive location. Consequently, for this potential employment growth to be realised there must be a sufficient quantity of suitable employment land available in the District.

If the District is to promote itself as a location for business then provision of sufficient employment land is crucial. It is within this context that the District must be clear on its vision for its economic role. If it delivers high quantities of new housing under the Growth Points initiative but does not foster an environment for business then it could potentially become more of a commuter location in the future, which counters the objectives of sustainable development.

3.4 A46 Improvements

The A46 is an important regional trunk road connecting the East and West Midlands, and in November 2008 plans to dual the A46 were approved by Government. The Highways Agency plans include constructing a new 28km long two-lane dual carriageway from the A606 two level junction at Widmerpool to an improved roundabout at Farndon, just south of Newark. This will reduce congestion, improve safety and provide a bypass for East Stoke and Farndon.

The main construction works began in July 2009 and the road is expected to open to traffic in summer 2012. Clearly, once the scheme is completed the benefits in terms of reduced congestion will also translate to economic benefits to firms located in the area. In particular, this may further strengthen the area's offer to the distribution sector (which is already growing as discussed in the next section).

Whilst the A46 improvement present an opportunity for positive economic impacts there is a risk that the improvements will service to increase out commuting from the borough.

3.5 Drive Towards Higher Value Sectors and Diversification of Employment Opportunities

It is important to consider the development of the District's economy in the longer term. Whilst in the short to medium term, it is likely that lower density employment uses such as B2 and B8 will form an important part of the District's employment development. In the longer term there may be benefits from *encouraging* a wider range of sectors to the area. Below are some examples of B8 development that have been already being delivered in the District or have received consents for distribution schemes and are actively being marketed in the District.

The District Council and its sub-regional partners have identified key business sectors which are expected to provide future employment opportunities to help achieve the vision of creating a successful, diverse economy providing employment opportunities to a local workforce. These sectors are distribution and logistics; service sector; tourism; food and drink, and energy and environmental technologies.

The District's central location, excellent connectivity to adjoining areas and the historic availability of land/employment sites and access to labour has made the District and the growth in the A1 corridor for distribution and logistics has ensured the District has secured major investors including Curry's investment on the Newline Business Park site. However despite the speculative interest from developers feedback from some commercial agents suggests that the District has not fulfilled its potential and the reality is that the take up rate has been limited.

Example of Growing Distribution Sectors in Newark and Sherwood

Newark is well positioned for distribution, A1 road improvements mean it is as well regarded as M1 locations. Commercial agents are of the view that there is an increased opportunity for mid-range distribution. The most recent indicator of new sectors locating in Newark and Sherwood is the development of the Currys/ Dixons National Distribution Centre in Newark.

The 20 ha site provides a facility of regional significance, whilst other developments include the Gazley G.Park Newark, which is a 16ha site, with planning permission to accommodate B8 warehousing for large scale distribution. Premises range from 100,000 sq ft to 768,000 sq ft and point to the following key issues that make Newark and Sherwood a commercially attractive location:

- Prominently located close to the A1/A46 intersection
- A location that is within 3hrs of LGV drive of 29% (16 million people) of the UK's population.
- Proximity to a cluster of major distribution centres for Dixons (Newark and outside the District B&Q and Wilkinsons (Worksop) and Tesco (BarlDistrict Links)
- Flexible unit sizes
- Attractive rental and freehold terms

A labour profile that includes:

- Labour cost lower than national average.
- Access to almost 270,000 population of working age

The District's service sector employs 33,900 people which equates to 75.3% (2008) of the workforce. This sector has grown by 7.7% since 1995 (Nomis official labour market statistics 2010). This trend is set to continue growing in the District as service jobs replace the traditional manufacturing and engineering activities that were once the driving force of the local economy. An increase in the District's population, through Growth Point status, will lead to the need for additional support services such as education, health, transport and business support services in the District.

“InvestLincolnshire” (a service provided by Lincolnshire County Council)

The core remit is a focus on SME's to become larger employers of the future. To ensure growth across SME businesses there will need to be a focus on sites and premises to ensure there is an adequate 'property ladder' for growth sectors. Key sectors are currently identified as agri-businesses and higher value engineering. At present, neighbouring local authorities such as West Lindsey District Council and South Kesteven District Council are investigating new sectors with links to growth point status. It will therefore be essential to ensure that NSDC has a full understanding of what sectors are identified in planning for future economic growth. Discussions between NSDC and The Lincolnshire County Council Enterprise Team have identified the need for joint working with the promotion and development of the A1 corridor being a priority for the District and sub region.

For NSDC, this presents an opportunity to develop its own offer, with a focus on being a Logistics & Distribution hub. This would provide a

sustainable offer for the borough that ensures the borough will provide a sustainable anchor for sectoral growth for neighbouring boroughs. NSDC also consider that there will also be opportunities for B1 development through businesses requiring good inter-regional connectivity.

A key economic development priority is to increase the knowledge sector of the economy within the overall service sector by attracting further finance, IT and business services to the area. The move towards and a greater proportion of knowledge economy jobs will ensure there is a balance to the District's economy and that it is not over reliant on the service sector.

In addition to growth in Logistics and Distribution uses, the District has seen a number of office developments that demonstrate market interest in Newark as a service sector base and there is potential for additional development to service a drive towards a greater proportion of knowledge sector employers. Examples, the Beacon Hill Business Park where the 2ha Business Park has been successfully built-out and accommodates 70,000sqft of office space; Trentside Business Park adjacent to A46 where the 1.5ha site has been built-out for 24,000sqft of office space which has been successfully let. A good supply of future sites and premises is required for Newark that will enable the town to take advantage of the recently strongly emerging trend towards the service sector. The emerging Fernwood Business Park to the south of Newark has attracted a national commercial office developer which has invested in speculative office development up to 47,000sqM.

Whilst these developments are not as land 'hungry' as logistics and distribution uses (which are lower employment generating forms of development) it is likely that these forms of development will become increasingly common as new communities move to the District and other neighbouring local authority areas (particularly those with Growth point status).

Feedback from commercial agents has suggested that the District has underperformed in attracting office occupiers even during favourable market conditions. However clear reasons were identified for this and it was viewed that future allocations need to be well matched to servicing specific market needs.

Alternatively, other feedback suggested that Newark could become an increasingly important area for office development with the A46 dualling and an upcoming Nottingham parking tax making Newark more attractive for office space as the areas can provide lower cost office space.

3.6 Implications of Strategic Rail Freight Interchange (SRFI)

A further indicator of the District's potential for distribution is outlined in a recent study undertaken for the emda.

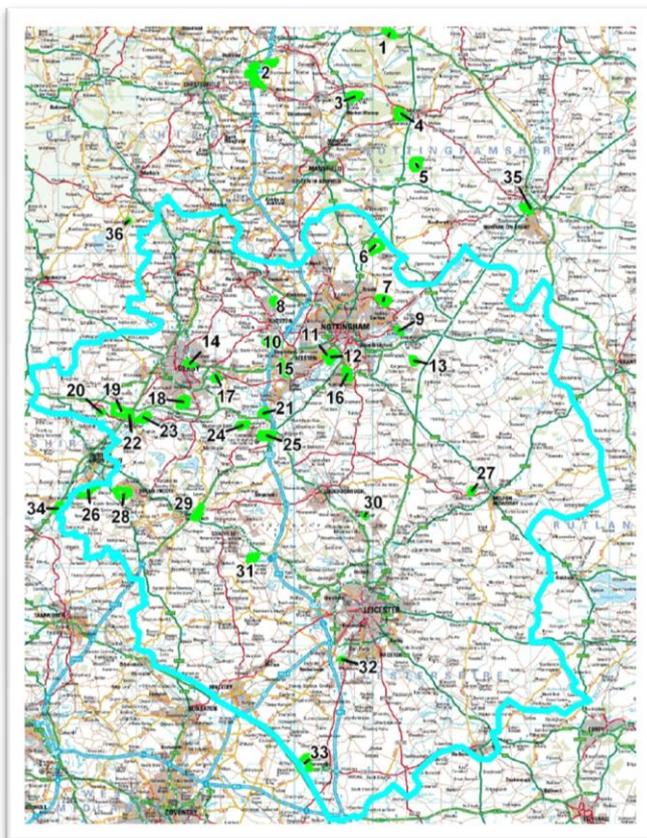


Figure 1: Plan of Strategic Sites Considered for SRFI. Site 35 identifies location of site considered in Newark and Sherwood.

The Strategic Distribution Site Assessment Study² was undertaken for the three City Sub-Area of the East Midlands. The study identified a strategic site option in Newark on Trent and concluded that, whilst the area was too small to accommodate a SRFI, it could accommodate a tri-modal terminal that would service Lincoln and Leicester using a combination of rail, water and road modes of transport. The land is owned by British Sugar whose facility remains in

² www.emda.org.uk/.../StrategicDistributionSiteAssessmentStudyFinalReport.pdf

operation and the terminal would seek to reuse a disused quayside area, with capacity to accommodate barges able to carry about 600 tonnes loads including aggregates, agricultural products and freight.

The AECOM study team that undertook the Strategic Distribution Site Assessment Study viewed the wider prospects for the Newark Trent site as promising, pointing to another emda sponsored study currently looking at the freight potential of the River Trent.

Based on these examples and the potential of additional B8 development that could be attracted if a trimodal terminal is developed in the District it is unlikely that the original projections would provide suitable land supply over the plan period. Feedback from commercial agents generally viewed the concept of a trimodal facility as only enhancing the District's offer for attracting new logistics and distribution investment. This, combined with the impact of significant growth in the population arising from Growth Point status in the District and other areas provides further support to this opportunity.

3.7 Factoring in Energy Provision

It is anticipated that employment sites will require increasing amounts of ancillary uses in order to make them commercially viable and sustainable. This includes commercial uses such as D1 (e.g. clinics, health centres, crèches, day nurseries, consulting rooms) and C1 (e.g. hotels). Whilst the priority will be to ensure these uses are primarily located in town centre locations, it is likely to result in additional land being required to accommodate these uses to create sustainable and viable employment areas.

Another aspect is new forms of energy infrastructure, particularly decentralised energy provision. It is uncertain at present what the true impact this will have on land provision, however it is anticipated that new development will increasingly factor decentralised energy infrastructure into new and existing employment sites and established occupiers/ landlords will seek to retrofit existing premises with appropriate technologies. Whilst 'landless' technologies such as solar would have limited or no impact on increased land take up, technologies such as wind and

combined heat and power could result in land being taken up with non/ low employment density uses.

Decentralised energy provision is being driven by increasing legislation in relation to energy, carbon emissions and climate change. As an increasingly important component of site development it is expected that it will become a more significant factor in determining the commercial viability and attractiveness of sites with high energy consumers seeking sites that contain a decentralised and secure energy supply.

A direct consequence of the trend to provide on-site decentralised energy is the requirement for more space – however the amount of space required will evidently vary according to the technology used. Technology options such as wind generation can be particularly demanding in their land take and can have a neutralising effect on surrounding land which is zoned to account for issues such as noise and visual impact and potential toppling of turbines. Equally there are increased instances of planning permissions for combined heat and power, particularly energy from waste facilities that provide a low carbon option for energy generation whilst directing municipal and commercial and industrial waste streams from landfill. These are also ‘land hungry’ uses that require land (often Brownfield with established connections and transmission infrastructure) and are often located in employment areas which are best suited for this form of development.

Generally, the East Midlands region has a good wind resource for wind generation technology, represented by a large number of schemes that have been scoped and applications submitted in the region. This includes Newark and Sherwood with schemes including the Lindhurst windfarm currently being developed. In terms of employment land provision, the implication of these trends is that an increased amount of land will be required to accommodate a given quantity of employment floorspace.

3.8 Taking into Account the Landscape Characteristics of Newark and Sherwood

The Publication Core Strategy sets clear objectives to protect and enhance the built and natural environment, heritage, biodiversity and landscape, giving additional protection to those areas and buildings of recognised importance. Spatial Policy 9 of the Publication Core Strategy refers to the District's Landscape Character Assessment referenced and identifying particular landscape character zone/zones affected. This is supported further by Spatial Policy 3 Rural Areas which places a specific focus on balancing the need to enhance rural economies in a way that enhances the rural landscape.

Achieving enhanced landscapes whilst delivering significant levels of growth/development is one of the biggest challenges facing Newark and Sherwood given the significant growth of residential development and the need to locate employers that meet present and future labour profiles. The delivery of substantial new housing may create development pressure in some areas and in other areas problematic interfaces between employment and residential uses may arise. As a consequence, it may be necessary to provide suitable 'buffers' between uses to ensure that the landscape characteristics are adapted sensitively. Green infrastructure will also bring wider economic benefits and provide the quality environments needed to attract the necessary investment for sustainable economic growth.

Another example that supports the need for provision of increased levels of additional land are the issues surrounding new office development in the District's town centres. The District Council has identified that there is a clear distinction between the demand for office space that can be satisfied within the town centre and that which requires larger, more flexible and modern accommodation. Office supply within the main town centre commercial area is constrained in Newark due to the constraints of the towns' historic core and lack of suitable available sites for development. Larger demand for office space has most recently been met from edge of town developments.

It is possible that established businesses in the District will also seek to relocate to alleviate the interface issues caused by non employment led development

pressures. It will therefore be necessary to ensure that there is an adequate supply of employment space to provide suitable sites for relocations. It will be important both to ensure that businesses are retained within the District and also for there to be opportunities for businesses to relocate and move to a higher quality or superior premises.

Example of Land Take for Large Mixed Use Development in Newark and Sherwood

The recent outline planning application (10/00173/OUTM) (Land Adjacent to the A617, Mansfield and Ashfield regeneration route between Nottingham road and Southwell Road west, Mansfield a proposed development site that straddles boundary between Mansfield and Newark and Sherwood District Council) for the development of 169.3 hectares of land for employment, commercial, residential, retail, healthcare, community, educational and leisure uses, provides an indication of the future land requirements for development.

The scheme is in close proximity to the Lindhurst farm wind farm and includes a total of 23.2 ha of employment land made up of 4 sites. The scheme also includes over 40ha of green infrastructure and demonstrates the potentially complex interfaces that will need to be dealt with for future development and the significant proportions of land needed.

4 Implications for Land Demand Forecast Model

4.1 Introduction

The above identified factors will have an impact on results of the earlier modelling of employment land demand for Newark and Sherwood. In particular, they will influence the employment forecasts and plot ratios which are inputs within the model. The expected influences are summarised in the table below:

Table 2: Impacts on Land Demand Forecast Model

Factor	Impact on:	
	Employment forecasts	Plot ratios
Award of Growth Point Status	+ve	neutral
Drive to Higher Value Sectors	+ve	-ve
Trends in decentralised energy	neutral	-ve
Landscape characteristics	neutral	-ve

Clearly, higher employment levels and lower plot ratios will act to increase the employment land requirement. Of the four factors examined above, two impact positively on employment growth forecasts and three impact negatively on plot ratios. Accordingly, it is expected that the overall demand for employment land generated through the model will be greater than originally anticipated.

The earlier model incorporated 2006 based employment forecasts from emda. Whilst no updated forecasts have been produced by emda, there has been a significant deterioration in macroeconomic conditions since that time. Whilst the time horizon for the ELR modelling is longer term, it could be argued that the original forecasts should be revised downward, reflecting current conditions and revised projections of national economic growth. There is currently a high degree of uncertainty associated with the current economic environment and any

forecasts of economic growth in coming years. It is therefore very difficult to determine what the 'net' effect of the above factors will be on the original employment forecasts after the current economic conditions have been accounted for. The impact of the above factors on plot ratios is more straightforward since this interaction is not affected by general economic conditions.

The Growth Zone Scenarios considered the Sherwood Growth Zone (including the Mansfield Ashfield Regeneration Route (MARR corridor)) and the North Derbyshire Growth Zone. To this, we have also included the potential impacts of the Newark Growth Point initiative. The potential employment generated by the two Growth Zones and the Newark Growth Point have been broadly calculated on the basis of discussions with the appropriate economic development officer at the Alliance SSP and referenced to existing planning permissions and masterplans. These have been subsequently applied to the Housing Scenario projections to provide an extreme, aspirational scenario.

The Out Commuting Scenario involved adjusting employment growth on the basis of reducing net-commuting to other Districts outside the Sub-Region by a defined amount. This sought to boost below-average employment levels in the Sub-Region. An estimation of the net outflow from each District/HMA to areas outside the HMA was provided by Nottinghamshire County Council. It was summarised that if employment prospects could be boosted in the Sub-Region, then the amount of out commuting could be reduced by one third, consequently boosting employment in each District by this amount. B1, B2 and B8 FTEs were transformed into employment land and then applied to the RSS Housing Scenario.

4.2 The Growth Zone Scenario

This scenario, in 2006, represented a supply-based, aspirational vision for the future of the Sub-Region that presented the employment capacity that could be accommodated in the unlikely event of all the sites identified in the Alliance SSP's³ economic Growth Zones (including the Newark Growth Point) coming forward over the next twenty years. This factored in some 25,028 additional

³ Alliance North Midlands is a public sector partnership to attract and retain businesses in North Derbyshire and North Nottinghamshire.

FTEs for the North Derbyshire Growth Zone, 11,326 additional FTEs for the Sherwood Growth Zone and 5,100 additional FTEs resulting from the Newark Growth Point Initiative. The effects of these employment proposals were not considered directly by Experian as part of the RSS Housing Scenario modelling process. The model factored in some significant schemes being developed in the sub region, however the study identified that in dealing with Housing Scenario statistics, there were limitations to the modelling that exaggerated the findings.

The original study indicated that a total of 21,432 B1 FTE jobs, 9,968 B2 FTE jobs and 10,055 FTE B8 jobs could result from the Growth Zone initiatives over the next 20 years. The original employment land study presented the FTE employee projections incorporated within the Housing Scenario forecasts and converted into employment land requirements. The findings indicate that, by factoring in the potential employment change resulting from the two Growth Zones and incorporating the Newark Growth Point initiative, the demand for employment land would increase considerably. Total employment land across the Sub-Region was projected to increase to 226.7 hectares between 2006 and 2016, rising to 326.5 hectares between 2006 and 2026.

This was a significant increase on the Housing Scenario results, which suggested a net requirement of 22.7 hectares between 2006 and 2016, and 44.2 hectares up to 2026.

Table 3: Growth Zone Scenario Employment Land Projections

	2006 - 2016				2006 - 2026			
	B1	B2	B8	TOTAL	B1	B2	B8	TOTAL
Newark and Sherwood	12.9	1.6	8.2	22.7	28.1	0.6	15.5	44.2

This is therefore not a ‘demand projection’ but a scenario that provides a contextual theoretical capacity to indicate how much employment on available

land in the Sub-Region can be accommodated. They are consequently presented for illustrative purposes only.

4.3 Reducing Out-Commuting Scenario

Table 4 presents the employee projections incorporated within the Reducing Out Commuting Scenario forecasts and converted into employment land requirements for Newark and Sherwood. The findings indicate that, by factoring in the potential employment change resulting from reducing the amount of out-commuting from the District by a third, the demand for employment land would increase substantially, although at a lower rate than in the Growth Zone Scenario. The original modelling identified that demand for employment land across the Sub-Region could increase to 74 hectares in total between 2006 and 2016, rising to over 100 hectares by 2026. Of this Newark and Sherwood was identified as having demand for 26.4ha in 2006 – 2016. This accounted for 36% of the sub regional total, however the modelling then identified a significant fall in demand between 2016 and 2026 with just 1.4ha of additional land being required, increasing the total land demand to 27.7ha. With the A46 improvements now secured, greater certainty can be afforded to the projections.

Table 4: Reducing Out Commuting Scenario Employment Land Projections

	2006 - 2016				2006 - 2026			
	B1	B2	B8	TOTAL	B1	B2	B8	TOTAL
Newark and Sherwood	7.7	9.8	8.9	26.4	11.5	6.9	9.3	27.7

4.4 Overall scenario outputs

Table 5 presents the outputs of all the modelling undertaken and identifies the actual historic¹ take up of land for employment uses since 2006.

Table 5: Employment land comparison, 2006-2026 (net ha, unless otherwise stated)*

Type	Baseline (Policy Off)	RES Policy On	RSS Housing Scenario	Growth Zone Scenario	Reducing Out Commut-ing	Historic Take Up (gross)
B1	7.6	7.6	6	28.1	11.5	-
B2	-3.9	-0.9	-2.2	0.6	6.9	-
B8	2.8	3.2	2.3	15.5	9.3	-
TOTAL	6.5	9.9	6.1	44.1	27.7	99.4

*Excluding Hucknall.

Table 6 shows the resultant employment land requirements once the ‘margin of choice’ⁱⁱ of 24.9ha has been included in each of the scenarios. As can be seen from the table, there is an increase in the land requirements, however this falls significantly short of the additional land anticipated to be need in the Core Strategy Preferred options report.

Table 6: Net Land Needs 2006 - 2026, incorporating a margin of choice (in hectares)

RSS Housing Scenario	Reducing Out Commuting Scenario	Growth Zone Scenario
31.0	52.6	69.0

*Excluding Hucknall

Of particular note is the need to understand the extent of land losses over the plan period. The Council anticipate that by 2026 almost an additional 97ha will be lost to other, non employment development uses. If this is taken into account there is a much larger land requirement needed that begins to reflect the Council’s

predications. From 1st April 2007 – 31st March 2009 the District has had 19.08ha⁴ of land taken up largely through 16.17ha of employment land losses to other development uses, primarily residential development. This has reduced the District's employment land supply from 87.52ha in 2007 to 67.44ha in 2009 resulting in a higher rate of employment land losses than had been predicted and if the trend was to continue until 2026 the total land lost would be around 320ha. It is noted that this trend is very unlikely and the significant land losses are likely to be less evident over the next five years as the development industry struggles to deliver housing to the rates needed to address likely affordable housing demand.

Table 7 provides the range of employment land requirements once total projected land losses of 97ha have been taken into account. Based on this range and considering the discussions with stakeholders that have informed this report Arup has identified a new range of projected demand of between 128ha and 166ha of additional land being required up until 2026.

Table 7: Net Land Needs 2006 - 2026, incorporating a margin of choice (in hectares) plus allowance for lost employment land

RSS Housing Scenario	Reducing Out Commuting Scenario	Growth Zone Scenario
127.82	149.42	165.82

⁴ Newark and Sherwood Annual Monitoring Reports 2007/2008 and 2008/2009, Appendix4.

5 Conclusions

5.1 Introduction

This update has taken into account a range of issues to ensure that the remodelling of data is as robust and credible as possible given the uncertainty surrounding the economy and the scale and nature of the commission.

There was a need to prepare an update that focuses on Newark and Sherwood, and seeks to refresh the land forecasts made in the original ELR in light of the District formally receiving Growth Point status and its endorsement in the East Midlands Regional Plan, having secured improvements to major highways infrastructure – thereby improving prospects for positive economic impacts - and being subject to major planning applications for employment and mixed use development that impacts on land availability.

5.2 Updating the Land Demand in Newark and Sherwood

Arup have arrived at a new range of projected demand of between 127.28ha and 165.82ha of additional land being required up until 2026. This falls between 45ha and 85ha short of the total amount of land (200ha to 210ha) identified in the Newark and Sherwood Publication Core Strategy. The information gathered for this work has identified sufficient evidence to support a further increase of land provision until 2026.

In summary the key justifications for an increase of employment land up to 210ha of land include:

- The District's Growth Point status bringing residents with new skill sets to the District. Consequently, a wider range of employment opportunities in the District will be needed. This is likely to involve providing suitable opportunities for B2 and B8 development and an increase of other types of premises such as B1. Newer knowledge driven sectors have different needs for premises and providing sufficient allocations for speculative schemes could help the District to attract more businesses from these other sectors.

- The availability of a suitable range of land and premises to meet market needs is essential. This will need to address low and high density employment generating uses, with logistics and distribution uses being particularly land ‘hungry’. The District is considered to have significant potential to attract large scale distribution facilities. This potential is currently realised through delivered and planned developed and demand is likely be increased, particularly in Newark if a trimodal terminal was to be developed.
- The District seeks to attract a diverse range of employment uses that meet the full cross section of skills available in the District. In the short to medium term, the likelihood is that lower density employment uses such as B2 and B8 will form an important part of the District’s employment development and require significant land availability. However this will be part wider employment offer for the District and B1 development will also be needed as it moves towards a knowledge economy. Additional land will also be needed to also accommodate a sufficient ‘property ladder’ to support SME development. The need to provide a flexible range of sites that ensures there is suitable land to service the growth and of SMEs and their future expansion is also important. The return to a more stable economy will require higher levels of entrepreneurialism and it will be imperative that the District can provide a suitable ‘property ladder’ to ensure that successful new business can be retained in the area. The knowledge sector provides jobs with different skills requirements and also generates a higher level of ‘value added’ – both beneficial to the District’s economy and will require varying amounts of land to meet their requirements.
- In addition to the drive to higher value sectors, attracting different sectors to the local economy will also bring the benefit of increased diversification of the economic base. This is important in developing a stable economy and will make the area less susceptible to external economic shocks.
- Employment sites are anticipated to require increased ancillary uses in order to make employment sites commercially viable. The emergence of PPS4 indicates that non B use classes may be suitable on employment sites, as long as there is evidence that it does not damage the vitality and viable of town

centres. Further, the evidence provided by the District Council has indicated that due to centres generally being constrained by historic characteristics and a lack of capacity, new office development is unlikely to be suitable in areas other than edge of town locations. Another emerging issue will be renewable and low carbon energy provision. It is anticipated that 'land hungry' technology options such as wind generation are likely to be located in employment areas, with stand alone turbines, typically on the fringe of sites requiring additional space. Combined heat and power (biomass or energy from waste) are also a low density use where there is evidence across the country that it is placing development pressures on employment land. Whilst these uses will require additional space, such development could also help attract investment as businesses seek to locate in areas with low carbon and secure energy supplies.

- Displacement of businesses is a considerable issue for the District. As housing is delivered in the District it is anticipated that the increased population and labour offer will attract new investment to the area and see businesses that are located elsewhere consider Newark and Sherwood as a preferred location. Further, it is also predicted that some established businesses located in the District will seek to relocate as new housing creates development pressure in some areas or problematic interfaces between employment and residential uses emerge. It is anticipated that due to the landscape characteristics of the District and significant volumes of housing development needed that employment land will increasingly be needed to accommodate alternative uses and provide suitable 'buffers' between uses.
- There is anecdotal evidence that the tenure make up of existing employment land in the District is placing a need on new, freehold land to be provided in order to meet market needs.
- Insufficient provision of employment in the District may increase the probability that Newark and Sherwood will become a commuter location.

Sitting over these justifications is the wider rationale of the need to update the ELR. Whilst the ELR produced at that time was robust and credible, it was a joint ELR that covered the needs of 7 local planning authorities. An insufficient

quantity of available employment land could thus lead to the District missing opportunities to secure employment growth.

Arup therefore conclude that the additional land identified in the Newark and Sherwood Publication Core Strategy is reasonable and credible, particularly given the anticipated shift towards increased local level powers for planning for future development and particularly given the risk of Newark and Sherwood becoming a ‘commuter’ location if insufficient employment land is allocated.

Historic Take Up Assessment: Whilst data was requested covering the 15 year period, this was not available for all Local Authorities due to inconsistencies in the reporting arrangements. Historic trends data was obtained relating to employment land take up (by completions) Consequently, data was obtained from each Local Authority, with Newark and Sherwood having a 10 year annual average of the 49.7 hectares taken up in total during this time period. This equated to a yearly average of almost 5ha per year. Since 2007, however the take up of employment land has dropped. From 1st April 2007 – 31st March 2009 (Newark and Sherwood 2007 – 2008 & 2008 – 2009 Annual Monitoring Reports) the District’s employment land supply fell from 87.52ha in 2007 to 67.44ha, however of the 19.08ha¹, 16.17ha of this was through losses of employment land non employment development uses, primarily residential development. This has meant that the employment land take up rate has dropped marginally from 5ha per year to 4.4ha.

The intention of this exercise was to provide a snapshot of the total amount of employment land currently available and for how long, at current rates, the current supply could last in isolation. Current average annual take up rates were then taken forward up to 2026 to provide an estimate of the likely gross amount of employment land required.

ii Margin of Choice: It is important to ensure that a margin of choice is added to the net projections to ensure that businesses making locational choices have flexibility and that the identified quantitative land projection is bolstered. Even where the identified demand for employment land is likely to decrease significantly over the ten year period, there should always be some new development coming forward to avoid stagnation and further decline in the market. Consequently, it is desirable to allocate more land than is likely to be used, as some land, particularly sites that have been carried over from past plan periods, and those with significant constraints to overcome, may not come forward for development in the short to medium term (if at all). It is therefore, standard practice to allow for a degree of flexibility or ‘margin of choice’ in the allocations by applying a stated factor into the demand calculations.

Determining a robust figure is not an exact science, and will (due to the lack of specific studies on the matter) always is subject to a certain degree of subjectivity. The East Midlands Land Provision Study (2006) states the margin should be equal to the gross annual land take up times the average years required between a site being identified and it providing usable floorspace: ‘

Table 8: Calculating the Margin of Choice (in hectares)^[1]

	Historic Take Up (over twenty years)	Average Annual Take Up Rates	Five Year Margin of Choice (c)
Newark and Sherwood District	99.4	5.0	24.9

• * Excluding Hucknall