PETERBOROUGH CITY COUNCIL

PETERBOROUGH EMPLOYMENT LAND REVIEW 2008

Strategic Growth & Development
Peterborough City Council

April 2008

PETERBOROUGH
CITY COUNCIL

This report has been produced by officers of Peterborough City Council, in conjunction with the consultancy firm Arup, to assist the Council in reaching decisions on the provision of employment land, through the process of preparation of its Core Strategy and subsequent Development Plan Documents. It has not been approved or adopted by the Council and does not constitute Council policy. Potential development sites referred to in this Review are sites which have been nominated to the Council for consideration. Their inclusion in this Review does not imply any approval or agreement whatsoever by the Council.

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Abbreviations used in this Document

DCLG	Department for Communities and Local Government
ELR	Employment Land Review
IGS	Integrated Growth Study
LDD	Local Development Document
LDF	Local Development Framework
ODPM	Office of the Deputy Prime Minister
OIW	Office, Industry and Warehousing
PPS	Planning Policy Statement
RES	Regional Economic Strategy
RSS	Regional Spatial Strategy

EXECUTIVE SUMMARY

As part of the new planning system, an Employment Land Review (ELR) now forms an integral part of the evidence base that will underpin a local planning authority's Local Development Framework (LDF). The main purpose of an ELR is to help deliver economic sustainable development within the area. National policies emphasise the need to ensure sufficient and suitable land for employment activities and the need to produce a robust and credible evidence base.

The emerging East of England Regional Spatial Strategy (RSS) sets out targets for employment growth and Peterborough is expected to deliver at least 20,000 new jobs between 2001 and 2021. The RSS stresses that employment growth should be managed in a sustainable manner to accommodate the predicted population increase.

The purpose of this Peterborough Employment Land Review is to assess the relationship between the potential supply of employment land, the property market and the likely demand for land up to 2021 and beyond. It also aims to establish if there is or will be enough employment land of good quality to meet the employment requirements of the RSS. It covers the administrative area of Peterborough City Council.

This ELR was prepared with some major input from ARUP, the consultants who were commissioned to undertake the Peterborough Integrated Growth Study (IGS). The purpose of the IGS was to examine and recommend a framework for future growth in Peterborough as an integral part of the options development process for the Council's Core Strategy.

The history of employment change in Peterborough shows that between 1991 and 2002, construction, business services, education and hotels and catering industries experienced significant growth. In contrast, significant contractions in employment were experienced in the manufacturing, transport, public administration and defence sectors.

In the coming years, the following six key sectors and clusters are likely to act as key drivers of change in the Peterborough economy:

- distribution and logistics
- retail
- environmental industries
- financial services
- media, printing and publishing
- construction

The IGS analysed the economic activity in the City and found that, in comparison to the region, Peterborough has lower employment and economic activity rates, and a higher unemployment rate. Also, there is a higher proportion of working age people that are economically inactive.

The review of the market (Chapter 4) shows that development of all types of employment use (B1, B2 & B8) is likely to be viable on the fringes of Peterborough, even on previously developed land. The supply of previously developed urban fringe sites is limited and it is inevitable that consideration will have to be given to the use of greenfield sites, if the market demand for accessible sites of suitable scale is to be met.

Tthe relationship between take-up and availability of land for industrial/warehousing development is reasonably well balanced and does not point to a major overhang of good quality stock. Peterborough still remains a good value location despite the recent increase in rents.

The results of the annual employment development monitoring undertaken by the City Council show that, since 2001, take up of employment has been faster than expected due to the significant growth in warehouse development. The majority of available employment land is at Hampton, which has a sole owner, and the timescale for releasing all the sites is not known. Therefore, the Council needs to safeguard most of the existing employment allocations and identify new sites to enable the development industry to deliver the 20,000 additional jobs required by 2021.

In June 2007, the Council invited agents, landowners and developers to put forward potential sites for consideration for employment, retail and gypsy and traveller development. Very few sites were submitted for employment development, a handful were for mixed-use and the majority were for residential development. Sites submitted for employment use vary widely in size and a few are within the urban area. All sites that were submitted will be included in the forthcoming issues and options report for the Peterborough Site Allocations DPD.

A market and sustainability assessment for all existing employment allocations was carried out in accordance with the Government Guidance Note. This reached the conclusion that a site at Bretton (the Oak Tree site) and the only two allocated rural sites (Northam Works, Eye Green and Station Road, Thorney) should be recommended for de-allocation.

Similarly, a market and sustainability assessment was also carried out to assess all the new potential sites. As a result of this assessment, fifteen potential sites were found not to be suitable for employment use; and seven sites have the potential to be developed for employment use. It is important to note at this stage that inclusion of all the potential sites should not be interpreted as meaning that they have any kind of approval or agreement from the Council.

As part of the IGS, five alternative scenarios were developed as potential frameworks for managing economic development in the district. As a result of a series of consultations, the third scenario (Environment Plus) received the greatest support. Consultees realised the need to promote Peterborough as an Environment Capital City.

The total proposed land requirement (for B1, B2 and B8 development) for the preferred scenario, including a 20% allowance for uncertainty, is 206 hectares between 2001 and 2021. Taking into account the gain in employment land already achieved to 2007, the loss of employment land over the same period, the amount of land under construction and estimated future losses, it is calculated that the overall amount of land required to be found between 2007 and 2021 is approximately 198 hectares.

Peterborough has a potential supply of about 256 hectares of employment land. This figure includes the existing employment allocations, opportunity areas and potential new sites which were put forward by developers and agents in June 2007, and found to have reasonable potential when assessed against market and sustainability factors.

The Review therefore concludes that the combination of existing approved sites, allocations and the favourable potential employment sites is more than sufficient to meet the land requirements of the ‘Environment Plus’ scenario, across each of the B use classes. However, there is a need for a more detailed assessment of each of the nominated sites, along with any others that might emerge in the intervening period, and this is a proper task for the Site Allocations DPD.

Account will also have to be taken of the spatial strategy for the expansion of Peterborough, as expressed in the Core Strategy. Although it appears that there will be sufficient land to meet future demand in quantitative terms, the selection of sites through the subsequent Site Allocations DPD will depend on the extent to which they align with, or help to deliver the spatial strategy of the Core Strategy.

The Council and its partners (including, in particular, Opportunity Peterborough and the Greater Peterborough Partnership) need to use policies effectively to influence the market towards the environmental sector by encouraging more sustainable forms of development and through raising skill levels of the workforce. Peterborough also needs to build on its economic potential and strengthen core growth sectors such as financial services, IT and environmental businesses, in order to realise economic growth and increased prosperity.

In summary, the ELR recommends the following:

- De-allocation of the Oak Tree site (Bretton) and two currently allocated rural employment sites
- Continue with the designation of most existing allocated (but not yet developed) employment sites
- Further details on site allocations should be included in the forthcoming Peterborough Site Allocations DPD
- Promoting Peterborough as the UK's environment capital
- Attracting high value jobs
- Establishment of a University in Peterborough
- Promoting the City Centre as a location for business development
- Safeguarding future employment sites
- Encouraging the continued recycling of previously developed land, whilst acknowledging that the scale of employment development proposed must require the use of greenfield sites

All decisions relating to the distribution of future employment land supply will be set out in further detail in the Site Allocations DPD in light of the spatial strategy of the Peterborough Core Strategy.

CHAPTER 1: INTRODUCTION

1.1 Introduction

This report was prepared by Peterborough City Council with some major input from Arup (consultants commissioned to undertake an Integrated Growth Study for Peterborough). The consultants provided information and analysis on the economy of the district, land and property markets and future employment land requirements for Peterborough.

The purpose of the report is to assess the relationship between the potential supply of employment land and property and the likely demand to 2021 and beyond. It also aims to establish if there is enough employment land of good quality to meet the employment requirements of the Regional Spatial Strategy for the East of England (RSS).

The RSS is not yet adopted. It has reached the stage following publication of the Secretary of State's proposed changes. At this stage, it identifies Peterborough as an area that should make provision for at least 20,000 net additional jobs and 25,000 new homes in the period 2001-2021. A key part of achieving this level of growth is ensuring that sufficient land is available in the right places and in the right quantity. Also, this growth must be sustainable, focused on creating higher value jobs, securing better facilities, and creating a more attractive environment.

The Planning and Compulsory Purchase Act 2004 introduced a new system of plan-making, which is known as the Local Development Framework (LDF). An important objective of the new development plans system is to deliver an appropriate local balance between competing uses for land, particularly housing and employment. The new planning system also places emphasis on sustainable economic development.

This Employment Land Review forms part of the evidence base for the Council's LDF. Also, a review of employment land in Peterborough will contribute to the realisation of Peterborough's 'vision' of a "bigger, better city". Government policy and guidance indicate that employment land reviews' role is to provide a sound evidence base to inform local planning authorities in providing adequate employment land over the plan period.

The review limits itself to potential supply and demand within the administrative area of Peterborough City Council.

1.2 Aim

The overall aim of this review is to identify an up-to date balanced portfolio of potential employment sites in preparation for the LDF, and in relation to likely need.

It is emphasised that this review does not constitute Council policy. It identifies potential employment sites but there is no guarantee that all or any of the sites will be allocated subsequently in a Development Plan Document. Policy decisions about the allocation of sites for development will take place through the statutory plan-making procedures, including full opportunities for public consultation and comment.

1.3 Objectives

The review addresses the following objectives:

- assessment of future demand for employment land of appropriate quality to meet the varied needs of businesses throughout the plan period (i.e. 2021)
- assessment of the suitability of individual sites
- identifying sites that are unsuitable for employment development

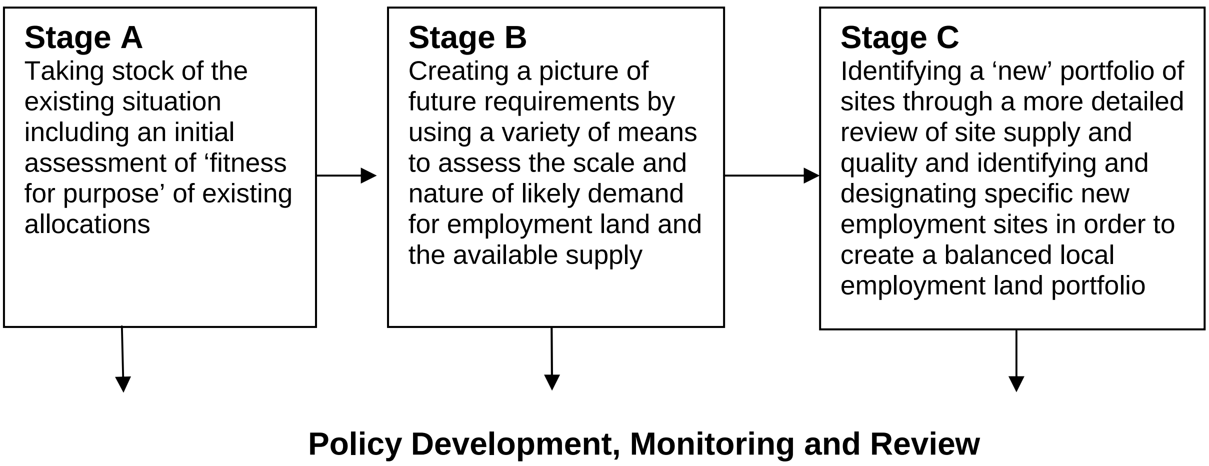
- where appropriate, identifying potential new employment allocations if the current stock of land and premises falls short of meeting future needs (in quantitative or qualitative terms)
- developing appropriate future policy approaches for the LDF, particularly the Core Strategy and the Site Allocations documents

The review helps in the formulation of a preferred option for the Council's Core Strategy. However, until the Core Strategy reaches a reasonably advanced stage, no site can be appraised as to its ability to accord with, or contribute to the delivery of, that Strategy. For this reason, there will need to be some further appraisal of sites in this Review, once the Core Strategy is advanced, and work is being progressed on the Site Allocations DPD.

1.4 Methodology

In December 2004, the ODPM issued a guide for planning authorities in respect of assessing the demand for, and supply of land for employment (Employment Land Reviews: Guidance Note). The guide is aimed at helping authorities to assess the suitability of sites for employment development, to safeguard the best sites in the face of competition from other higher value uses and help identify those sites which are no longer suitable for employment development and so should be made available for other uses. This guidance, together with the draft Manual Guidance prepared by Roger Tym & Partners in 2007 for the East of England Development Agency, was used to carry out this employment land review. The guidance recommends a three-staged process for assessing employment land need. Figure 1 below summarises this process. These stages have been fulfilled by both qualitative and quantitative methods of data collection.

Figure 1.1: Three stage process for assessing employment land



A review of all existing employment allocations in Peterborough was undertaken, based on sites identified in the 2005 Peterborough Local Plan (First Replacement). Discounting those sites already developed, a total of 25 sites were assessed, taking into account their current status in terms of any planning permission, and a range of market attractiveness, sustainable development and strategic planning factors.

The Council monitors employment allocations on an annual basis. Data from the annual monitoring report was used to inform this element of the review (Chapter 5). Arup supplied data on demand and the economic profile of Peterborough as part of the work on the Integrated Growth Study (IGS).

The methodology also involved input from relevant stakeholders at appropriate stages. Development of the economic scenarios has taken into account comments made at a Visioning Away-Day for key stakeholders and a separate Away-Day for members of the Peterborough

Regional Economic Partnership. An understanding of the land and property market in the area was developed by informal conversations with local agents. Information on the current status and market interest in existing allocated sites has also been obtained from local agents. The identification of potential new employment sites involved a direct approach by letter to local agents and developers, and two separate drop-in sessions devoted to the nomination of potential development land. Further details of this stakeholder engagement appear in the relevant chapters below.

It is important to note that the review focuses on those employment land uses which are within the scope of PPG4 (DOE, 1992), specifically B1 (business), B2 (general industry) and B8 (warehouses/distribution). Other employment uses such as health, education and retail uses are not examined in this report.

1.5 Structure of the Report

The findings of the research are set out in the main text of this report as well as in the appendices. The report sets out our key findings and policy recommendations for employment land in Peterborough.

This report is structured as follows:
- Chapter 2 summarises the key national, regional and local policy context of relevance to the review
- Chapter 3 looks at the economic profile of Peterborough's economy
- Chapter 4 sets out the industrial and commercial property markets in Peterborough
- Chapter 5 sets out the employment land supply position, paying particular attention to committed sites, non-committed sites and potential development sites
- Chapter 6 provides details of future land and associated floorspace that will be required in Peterborough during the plan period
- Chapter 7 examines the balance between supply and market requirements
- Chapter 8 summarises findings and provides policy recommendations

The majority of the information for Chapters 3, 4 and 6 was supplied for this review by Arup.

STAGE A: THE CURRENT POSITION (TAKING STOCK)

CHAPTER 2: POLICY CONTEXT

This section establishes the planning and economic development policy context for the review. It provides a brief overview of the strategy and policy context relevant to employment and employment land in Peterborough. Emphasis is given to key policies and related documents issued at the national, regional and local level. The primary purpose of this section is to identify and examine the main strategic policy drivers which:

- determine the requirement for local authorities to assess employment land
- define the regional and sub-regional objectives to which Peterborough should contribute in the development of its emerging employment land policies
- highlight the key local economic, social and regeneration objectives and initiatives which should be complemented by emerging employment land policies.

2.1 National Policies

Sustainable development is at the heart of all policies i.e. national, regional and local. The UK Government, in its Sustainable Development Strategy (1999), sets out four aims of sustainable development:

- social progress which recognises the needs of everyone;
- effective protection of the environment;
- the prudent use of natural resources; and
- maintenance of high and stable levels of economic growth and employment.

2.1.1 <u>Planning Policy Statement (PPS) 1: Delivering Sustainable Development (2005)</u>

PPS1 sets out the overarching planning policies on the delivery of sustainable development through the planning system. The Government is committed to promoting a strong, stable and productive economy that aims to bring jobs and prosperity for all communities. To achieve these aims, local authorities are expected to carry out an Employment Land Review in order to ensure that sufficient and suitable land is set aside for employment.

PPS1 reiterates that planning should facilitate and promote sustainable and inclusive patterns of urban and rural development by:

- making suitable land available for development in line with economic, social and environmental objectives to improve people's quality of life;
- contributing to sustainable economic development;
- ensuring high quality development through good and inclusive design, and the efficient use of resources; and
- ensuring that development supports existing communities and contributes to the creation of safe, sustainable, liveable and mixed communities with good access to jobs and key services for all members of the community.

2.1.2 <u>PPS3: Housing (2006)</u>

PPS3 encourages the re-use of previously developed land. It also includes guidance that local planning authorities should review all non-housing allocations when reviewing their development plan. PPS3 also emphasises that need for employment sites should be demonstrated by an up to date employment land review.

2.1.3 PPG4: Industrial and Commercial Development and Small Firms (1992)

This Government guidance emphasises the importance of a positive approach towards development that contributes to national and local economic activity. This guidance is now out of date and is currently under review; however, it will not be published in time to be considered in this review.

The key messages from PPG4 which must be taken into account when carrying out employment land reviews are:

- local authorities must ensure an integrated approach to economic and environmental objectives
- ensure sufficient land is available and well served by infrastructure
- provide for a range and choice of sites

2.1.4 PPS7: Sustainable Development in Rural Areas (2004)

According to PPS7, in rural areas, planning authorities should focus new development in or near to local service centres where employment, housing, services and other facilities can be provided close together. The objectives of PPS7 are:

- to raise the quality of life and the environment in rural areas;
- to promote more sustainable patterns of development;
- to promote the development of the English regions by improving their economic performance so that all are able to reach their full potential (by developing competitive, diverse and thriving rural enterprise); and
- to promote sustainable, diverse and adaptable agricultural sectors.

In meeting the economic needs of rural areas, PPS7 states that local planning authorities should:

1. Identify in Local Development Documents (LDDs) suitable sites for future economic development, particularly in those rural areas where there is a need for employment creation and economic regeneration;
2. Set out in LDDs their criteria for permitting economic development in different locations, including the future expansion of business premises, to facilitate healthy and diverse economic activity in rural areas.

2.1.5 PPS12: Local Development Frameworks (2004)

Lastly, PPS12 emphasises the importance of producing a robust and credible evidence base in the production of LDDs. A key part of this is the identification of the broad locations of the new employment land necessary to meet the requirements of the Regional Spatial Strategy.

2.2 Regional Policies

The primary purpose of regional policies is to provide a consistent regional framework to inform the preparation of LDFs, which must be in conformity with regional plans. This report will focus on the Regional Spatial Strategy and the Regional Economic Strategy for the East of England.

2.2.1 East of England Draft Regional Spatial Strategy

The East of England draft Regional Spatial Strategy (RSS) (referred to as the RSS in this report) was published in December 2004. It has since been the subject of a public examination, and the Secretary of State has published two sets of proposed changes in response to the recommendations of the Panel that conducted that examination. This review refers to the RSS as currently proposed by the Secretary of State.

The RSS guides development in the East of England for at least the next 15 years in terms of housing, economic development, the environment, transport, sport and recreation, waste development, mineral extraction and much more. According to the proposed RSS, Peterborough is expected to make provision for at least 25,000 net additional dwellings and 20 000 net additional jobs in the period 2001-2021. These additional jobs need to be supported by employment land. A key part of achieving this level of growth is ensuring that sufficient land is available in the right places.

The spatial planning vision for the East of England is to sustain and improve the quality of life for all people who live in, work in, or visit the region, by developing a more sustainable, prosperous and outward-looking region, while respecting its diversity and enhancing its assets.

Objectives in the RSS that are relevant to this employment land review are to realise the economic potential of the region and its people by:

- facilitating the development needed to support the region's business sectors and clusters, improving skills and widening opportunities in line with the Regional Economic Strategy;
- providing for job growth broadly matching increases in housing provision and improving the alignment between the locations of workplace and homes; and
- ensuring adequate and sustainable transport infrastructure.

Key RSS policies relating to employment land include:

- **Policy SS3 – Key Centres for Development and Change**. Peterborough is identified as one of the key centres for development and change where new development should be concentrated
- **Policy E1 – Job Growth 2001-2021**. This policy sets out the distribution of economic growth; Peterborough has an indicative target of at least 20,000 new jobs
- **Policy E2 – Provision of Land for Employment**. This policy states that LDDs should ensure that an adequate range of sites/premises (including dedicated land/sites and sites within mixed-use areas and town/district centres) is identified and then subsequently allocated, safeguarded and/or protected to meet the full range of sectoral requirements needing to be accommodated to meet the indicative job growth targets of Policy E1 and the needs of the local economy as revealed by up-to date employment land reviews.
- **Policy E3 – Regionally Strategic Employment Locations**. This policy states that LDDs should identify readily-serviceable regionally strategic employment sites of the quality and quantity required to meet the needs of business. Peterborough is expected to achieve regeneration, attract business activities and key sectors and clusters including environmental services
- **Policy E4 – Cluster Development**. This policy states that LDDs should support the sustainable and dynamic growth of inter-regional and intra-regional sectors and business clusters, especially the regionally significant clusters including an environmental technologies cluster stretching from Essex to Cambridgeshire with a particular focus on Peterborough.

2.2.2 <u>East of England Regional Economic Strategy</u>

The East of England Regional Economic Strategy (RES) was prepared by the East of England Regional Assembly (EERA) in 2004. The strategy sets the long-term vision for the sustainable economic development of the East of England. It sets out how the region aims to improve economic performance and competitiveness, addressing market failures which prevent sustainable economic development, regeneration and business growth. It tackles business performance; investment and competitiveness; employment and skills; and the achievement of sustainable development. The RES is currently being reviewed and neither the draft nor the final document will be in time for this review.

The following are the current RES economic objectives which are relevant to Peterborough:

- promote greater economic interaction with the Cambridge sub-region and widen the scope for complementary economic activity
- address economic underperformance of the rural areas located between major urban centres
- support business competitiveness and entrepreneurship, in particular for those sectors with growth potential, such as the environmental cluster

2.3 Local Policy

This report will focus on the following local policies:

- Cambridgeshire and Peterborough Structure Plan 2003
- The Adopted Peterborough Local Plan (First Replacement) 2005
- Peterborough Community Strategy 2005
- Peterborough Economic Development Strategy 2005-2016

2.3.1 Cambridgeshire and Peterborough Structure Plan (2003)

The Cambridgeshire and Peterborough Structure Plan was published in 2003. It sets out a more detailed development strategy for Cambridgeshire and Peterborough up to 2016. Also, it aims to secure greater sustainability through integrating environmental, social and economic objectives whilst providing for new jobs. The structure plan was published at a time of major growth in the economy and housing needs of the Cambridgeshire and Peterborough area.

Objectives that are relevant to the economic growth of Peterborough are:

- securing investment in physical infrastructure and supporting social, environmental and community initiatives which will assist economic regeneration
- taking full advantage of the range of existing land allocations and vacant or under-used sites in the area
- encouraging a wider range of business and industrial development
- developing the skills of the labour force in line with the needs of the economy
- enabling diversification of the rural economy

The Structure Plan identifies six core policies for economic growth in Peterborough:

- **Policy P2/1 - Employment Strategy**. The theme of this policy is to support economic growth in Peterborough. Priority will be given to promoting economic growth in areas of most need of economic regeneration.
- **Policy P2/2 – General Location of Employment**. The policy proposes to provide a range of suitable sites for industrial and commercial development. Where new allocations are needed, they should be in sustainable locations.
- **Policy P2/3 – Strategic Employment Locations**. The Plan identifies Hampton as a strategic employment site. Hampton has attracted high quality offices and warehouse development.
- **Policy P2/4 – Development and Expansion of Employment Clusters**. The plan encourages partnership working to support cluster development. The existing cluster in Peterborough is environmental services. Availability of land and premises is stated as a crucial element to cluster development, particularly premises for speculative development and at low rental such as innovation centres.
- **Policy2/5 – Distribution, Warehousing and Manufacturing**. The Plan encourages distribution, warehousing and manufacturing development in locations which are accessible by a range of transport methods, and minimise environmental impact.
- **Policy P2/6 – Rural Economy**. This policy encourages sensitive, small-scale employment development in rural areas, especially where it minimises travel needs and helps support the vitality of rural communities.

2.3.2 Peterborough Local Plan (First Replacement) 2005

The Peterborough Local Plan was adopted in 2005. All the policies are 'saved' until July 2008 (and beyond, if agreed by the Secretary of State). The Plan plays an important part in achieving and maintaining the local economy: by attracting inward investment and by allocating land for office, industrial and warehousing development to meet the employment needs of Peterborough.

The key aims of the Plan for offices, industry and warehousing are:

- to allocate land for employment uses in order to encourage inward investment and maintain a growing and healthy economy which meets the needs of Peterborough's population;
- to control the provision of land for office, industrial and warehousing development to achieve a balance between employment levels and settlement size, and between job growth and population growth;
- to provide choice for businesses and secure diversity of employment opportunity by allocating sites in a range of locations and sizes and facilitating mixed use development;
- to ensure employment development occurs in a manner which does not harm the environment or amenity;
- to facilitate employment development at locations which have good access to the highway network for industrial traffic and which are accessible by means other than the car;
- to support the rural economy and encourage its diversification.

The Plan identifies two main categories of employment areas, namely General Employment Areas and Business Parks. In addition, Policy OIW9 has identified two rural employment sites at Northam Works, Eye Green and Station Road, Thorney. Also, Policy OIW10 encourages employment development within villages which is of an appropriate scale and character.

Policy OIW6 restricts non-employment uses within General Employment Areas. Such uses would only be allowed if they satisfy the six criteria that are listed in the plan. However, in the last 5 years, a considerable amount of employment land has been lost to non-employment uses, such as a church in the Eastern Industry, and car showrooms mainly in the Eastern Industry and other areas.

2.3.3 Peterborough Community Strategy (2008)

The LDF will be a key mechanism for delivering Peterborough's Sustainable Community Strategy. The first Community Strategy for Peterborough was produced in 2005 by the Greater Peterborough Partnership, which is the Local Strategic Partnership for the area. This has now been replaced by a new refreshed Strategy for 2008 - 21. It sets out a vision and overall strategy for the future of our city and the surrounding villages and rural areas. It reflects both the agenda for growth and the clear desire to ensure that Peterborough grows the right way, so that economic and population growth leads to genuine improvements in key areas, particularly those where Peterborough currently has specific problems or issues. It recognises that if we are to create a bigger and better Peterborough, then we will have to deal quickly and effectively with the pressing issues of today as well as the plans for tomorrow.

The Sustainable Community Strategy vision for Peterborough is:

A bigger and better Peterborough that grows the right way – and through truly sustainable development and growth:

Improves the quality of life of all its people and communities and ensures that all communities benefit from growth and the opportunities it brings;

Creates a truly sustainable Peterborough, the urban centre of a thriving sub-regional community of villages and market towns, a healthy, safe and exciting place to live, work and visit, famous as the environment capital of the UK.

There are four priorities for areas of work which are needed to achieve the vision:
- Creating Opportunities – Tackling Inequalities
- Creating Strong and Supportive Communities
- Creating the UK's Environment Capital
- Delivering Substantial and Truly Sustainable Growth

2.3.4 <u>Peterborough Economic Development Strategy 2005-2016</u>

The strategy sets out the Peterborough Regional Economic Partnership's vision, strategic objectives and initiatives for the period 2005-2016. The strategy's vision for the future of the Peterborough regional economy is that:

> *By 2016, Peterborough regional residents will share in economic prosperity, a high quality environment and a high quality of life, which will be achieved by applying the principles of sustainable growth.*
>
> *Economic activity in Peterborough region will be characterised by expanding, globally competitive enterprises, providing high quality, added value employment and taking advantage of the latest technology. Enterprise will be supported by a high quality physical and communications infrastructure and by a skilled workforce.*
>
> *The Peterborough region will be an area to which people and businesses will want to relocate, and in which they will wish to remain, owing to the thriving economy and the high quality of life enjoyed in our urban and rural environments.*

The strategy is committed to delivering sustainable growth through the following three key aims:
- achieving managed growth
- improving prosperity
- enhancing quality of life for all of our communities

To achieve these aims, the Peterborough Economic Partnership has identified 20 strategic objectives. These objectives contribute to meeting key priorities contained in the Peterborough Community Strategy.
The following objectives are relevant to this review:
- to improve the prospects of local companies through services that enhance performance, competitiveness and growth
- ensure that the sub-region maintains an adequate supply of good quality land to encourage investment and reinvestment in the local economy
- enhance the sub-region's current offer of office and commercial units
- ensure that Peterborough hits targets for growth in jobs and houses as defined in the Regional Spatial Strategy
- to attract and retain skilled, knowledgeable and talented people
- to encourage the development of 'knowledge' within the Peterborough regional economy. One of the ways of achieving this is by providing sites for knowledge based companies.
- build upon Peterborough's reputation as an 'Environment City'

2.4 Key Issues from Policies

The key issues that can be drawn from the policies discussed above are:
- Peterborough is expected to deliver at least 20,000 new jobs between 2001-2021
- delivery of sustainable development
- ensuring sufficient and suitable land for employment which is readily capable of development and well served by infrastructure
- providing a range of employment sites

- importance of evidence-based planning for employment land and in the production of local development documents
- increase prosperity and employment growth to meet identified employment needs in both urban and rural areas
- promoting economic growth in areas of most need of economic regeneration
- partnership working to support cluster development in Peterborough
- attracting and retaining skilled, knowledgeable and talented people
- promoting Peterborough as an environment city.

2.5 Recent Economic Studies of Peterborough

There has been no previous formal Employment Land Review for Peterborough, but there have been various economic studies. Whilst these certainly do not constitute part of the policy background, they do contribute to the context within which this Review takes place.

The two most relevant recent studies are the ‘Peterborough Growth Area Study’ undertaken by Llewelyn Davies and Roger Tym & Partners with Campbell Reith and Steer Davies Gleave, August 2004; and ‘Peterborough Pathways to Prosperity: Economic Development Programme’, undertaken by Shared Intelligence, March 2005.

2.5.1 <u>Peterborough Growth Area Study (2004)</u>

The primary purpose of this study was to examine the capacity of the Peterborough Growth Area to provide for the additional growth anticipated by the Sustainable Communities Plan to 2016 (in light of the Government’s extension of the London-Stansted-Cambridge Growth Corridor to include Peterborough) and the growth likely to be required by the forthcoming Regional Spatial Strategy for the East of England to 2021. The study also advised on the most appropriate spatial approach to urban development and expansion to accommodate any additional sustainable growth.

The study defined the vision for the Peterborough Growth Area as ‘employment-driven and sustainable’. That is, the need for any new housing development to be linked to growth in local employment and to adhere to the strictest principles of sustainable development.

The study concluded that quantitatively, adequate supply of employment land exists, whilst qualitatively, there is also a good range of sites to serve the key developing markets in B1 and B8 sectors, at least in the short term.

2.5.2 <u>Peterborough Pathways to Prosperity: Economic Development Programme (2005)</u>

Shared Intelligence Ltd (Si) was commissioned by Peterborough City Council (PCC) to prepare a report demonstrating Peterborough’s potential to grow at a faster rate over a 15 year period and to outline an economic development programme to achieve this.
The study found that:

- Peterborough’s economy has the potential to be a stronger engine of growth to drive the East of England Development Agency’s (EEDA) ambition to make the East of England one of the fastest growing regions in Europe.
- The City can make a major contribution to delivering the Sustainable Communities Plan and absorb some of the rising housing demand across the South East of England.
- Schemes in the pipeline and being developed, such as the new university building, a redeveloped hospital, a logistics hub, redevelopment of the City Centre and a renewed emphasis on business start-ups and innovation, will all accelerate growth and the development of completely new additional major initiatives could accelerate that growth even more.

CHAPTER 3: THE PETERBOROUGH ECONOMY

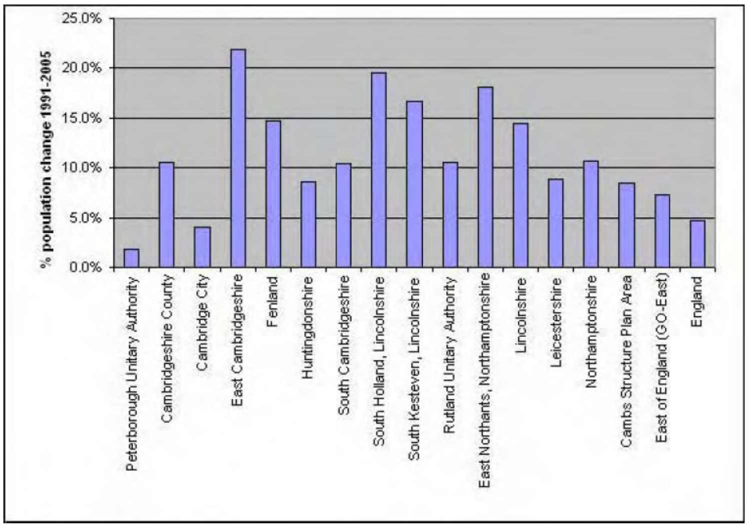
This chapter focuses on the economic profile of Peterborough's economy in terms of population growth, employment growth, labour market balance, workplace economy, economic well-being and the socio-economic background. The main purpose of this analysis is to help inform the economic goals and objectives of Peterborough's land policy; that is, the changes in the local economy which policy should aim to bring about.

3.1 Population

Peterborough experienced a population increase of 5,600 (3.6%) between 1991 and 2005, and an increase of 5,100 (3.2%) from 157,600 in 2001. All districts in the County of Cambridgeshire, which covers the rest of the Cambridgeshire and Peterborough Structure Plan area, have experienced population growth since 1991. The two districts with the proportionately largest amount of growth have been East Cambridgeshire and Fenland (23% and 16% respectively). South Cambridgeshire, Huntingdonshire, and Cambridge City have experienced growth of 11%, 9% and 5% respectively.

A comparison with neighbouring authorities indicates that between 1991 and 2005 the population growth of South Holland, South Kesteven and East Northamptonshire was 18%, 16% and 17% respectively whilst the increase in Peterborough was considerably less at 2.8%. Figure 3.1 below shows the percentage population change between 1991 and 2005 in Peterborough and neighbouring authorities.

Figure 3.1: Percentage population change 1991-2005, Peterborough and neighbouring authorities



3.1.1 Size and age structure of Peterborough Population

Table 3.1 shows the age breakdown of the population of Peterborough forecast for each year to 2016. The total population of Peterborough is forecast to be 191,000. The highest population increase will be in the 40-64 years age group; whilst the 16-19 years age group has the lowest increase of all age groups. In addition, there will be a relatively low increase in the 0-4 age group during the period 2001-2016. The 16-19 years age group will account for only 8.5% of the total population, most probably indicating out migration. The out-migration may be attributed to a search for high quality jobs or attending university in other cities.

Table 3.1: Projected population in Peterborough 2001-2016

Year	Age (Years)										Total
	0-4	5-10	11-15	16-19	20-24	25-39	40-64	65-74	75-84	85+	
2001	10.3	13.2	10.8	7.9	9.7	37.2	46.1	12.1	7.7	2.4	157.4
2002	10.2	13.2	10.9	8.1	9.5	36.6	47.2	12.1	7.8	2.4	158.0
2003	10.2	13.3	11.0	8.1	9.6	36.0	48.3	12.1	8.0	2.3	158.9
2004	10.4	13.1	11.0	8.2	9.8	25.3	49.4	12.2	8.3	2.4	160.1
2005	10.9	13.0	10.9	8.3	10.1	35.3	50.7	12.4	8.4	2.7	162.7
2006	11.3	13.1	11.0	8.3	10.3	35.7	52.3	12.5	8.5	3.0	166.0
2007	11.7	13.1	11.0	8.5	10.8	35.8	53.9	12.7	8.7	3.2	169.4
2008	12.0	13.1	11.3	8.4	11.0	36.0	55.3	13.0	8.9	3.3	172.3
2009	12.2	13.3	11.4	8.4	11.2	36.0	56.7	13.4	9.1	3.5	175.2
2010	12.3	13.6	11.5	8.4	11.1	36.1	57.9	13.8	9.3	3.7	177.7
2011	12.4	14.1	11.3	8.4	11.2	36.1	59.0	14.2	9.5	.38	180.0
2012	12.5	14.5	11.2	8.5	11.1	36.0	59.6	15.1	9.7	3.9	182.1
2013	12.6	14.8	11.2	8.5	11.1	36.0	59.6	15.1	9.7	3.9	182.1
2014	12.6	15.1	11.0	8.8	11.0	36.2	61.1	16.4	10.1	4.3	186.6
2015	12.6	15.2	11.4	8.7	11.0	36.3	61.7	17.1	10.3	4.5	188.8
2016	12.6	15.4	11.8	8.5	11.0	36.6	62.3	17.7	10.5	4.6	191.1

Source: Peterborough AMR 2006

3.2 Employment Growth

This section will analyse the sector mix in Peterborough's economy, considering the representation of growing and declining sectors. Also, this section will look at the record of past employment growth and the key drivers of change and growth opportunities.

3.2.1 Sectoral Composition

Table 3.2 provides an outline of the broad sectoral composition of the Peterborough economy, based on broad industrial groups according to the latest available (2005) Annual Business Inquiry (ABI) data. This shows that, in terms of employment, three sectors account for the greatest proportion of the Peterborough economy: Public administration, education and health; Banking, finance and insurance; and Distribution, hotels and restaurants. Together, these account for 72.9% of total employment in Peterborough.

Table 3.2: Peterborough sectoral composition, employees, Peterborough UA

Industry	2005	
	No.	%
1 : Agriculture and fishing (SIC A,B)	546	0.6%
2 : Energy and water (SIC C,E)	405	0.4%
3 : Manufacturing (SIC D)	11,282	12.3%
4 : Construction (SIC F)	2,203	2.4%
5 : Distribution, hotels and restaurants (SIC G,H)	21,342	23.3%
6 : Transport and communications (SIC I)	5,980	6.5%
7 : Banking, finance and insurance, etc (SIC J,K)	21,700	23.6%
8 : Public administration, education and health (SIC L,M,N)	23,836	26.0%
9 : Other services (SIC O,P,Q)	4,480	4.9%
Total	**91,774**	**100%**

The nature of recent employment trends in the city can be reviewed through the plotting of employment trends for the past five years from different official datasets. All workplace employment data (i.e. jobs where the jobs are located as distinct from employed residents) are derived from the same basic sources: the Annual Business Inquiry, which is available via the Nomis database (and is the source given in the CLG cities database used, for example in IPPR's recent Two Track Cities report), the Census (which gives workplace population, i.e. employed persons according to the place of their employment) and the new Annual Employment Survey (APS), which is a sample survey which is comparable to the Census and is the continuation of the labour force survey, but with the added advantage of giving employment by place of work. All have their weaknesses, and are liable to error, and are inconsistent with each other. Different analysts have different interpretations of the figures, The Census probably provides the most robust basis for planning purposes, and the APS should be given some weight as a comparable source.

In the last five years for which official employment data are available (from 2002 up to 2005/2006), employment levels in Peterborough have fluctuated. This is illustrated by the trends in Figure 3.2 below, which illustrates the following trends. Note that the scale on the side of the figure does not start at zero, but shows employment change in the range 70,000 to 100,000 jobs. This scaling has been chosen solely to highlight the nature of changes according to different datasets.

- Residence-based employment (i.e. *the number of jobs held by people living in Peterborough),* as represented by Labour Force Survey / Annual Population Survey data (the blue line), rose slightly between 2001 and 2003, before falling back between 2003 and 2005.
- Workplace-based employment, (i.e. *the number of employees measured at different workplaces, according to the site where people are paid, not necessarily where they actually work, but e.g. not including self-employed people working from home)* as represented by the Annual Business Inquiry (the red line), also rose between 2001 and 2003, before falling back slightly between 2003 and 2005.
- In addition, *Workplace Analysis* data for 2004 to Q3 of 2006 is also available from the Annual Population Survey (it was not collected prior to 2004) which provides a third point of reference, as illustrated by the black line. This also registers a significant fall between 2004 and 2005, with a further slight reduction in 2005 up to Q3 of 2006. This data series is consistent in definition with the 2001 census

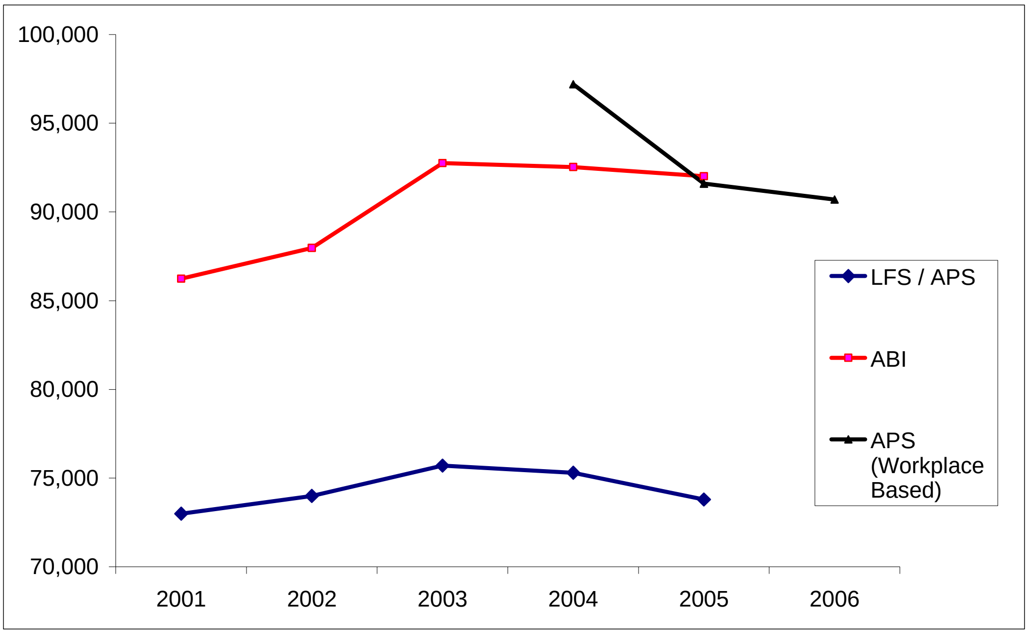
workplace population (i.e. recorded employed persons by place of workplace), and shows a 2006 level of 90,700, which is virtually identical to the census workplace population of 90,600.

It should be emphasised that there is considerable uncertainty about these statistics, given inconsistencies in many areas between ABI based measures and the census and APS, and known problems with the ABI. Overall these figures suggest that there was little net change in workplace based employment between 2001 and 2006, although the level appears to have risen and then fallen in intervening years. The official statistics, however, may not include all recent migrants especially from Eastern Europe. There is a strong view locally that there has in fact been substantial net growth in jobs in Peterborough since 2001, based on the perceived high level of migration, recent development of business premises and housing, with its implication of an increase in the resident workforce. The Chelmer projection of the increase in the resident economically active 2001 to 2006, based on housing completions, is 2,790. This is offset by an increase in unemployment of 1,100, giving in increase in the resident employed, not all of whom will work in Peterborough, of about 1,700. Given these uncertainties, and to allow for unrecorded migration since 2001, it would therefore be prudent to allow for a margin on top of estimates for floorspace and land derived from employment projections based on the statistical sources.

The IGS, in developing employment scenarios, used the Experian BSL dataset (the latest version prepared for the RSS process) for historic data. This is derived from the sources referred to above, and includes the self employed This is used because it is the basis for the derivation of the RSS job targets, and is consequently on the same definitional basis as the targets which the projections for Peterborough need to be compared with, and shown, for the purposes of the Core Strategy, to comply with. It is also the basis for the existing projections undertaken as part of the RSS projection which were used as a starting point for the IGS Peterborough study. It also has the advantage of a long, consistent set of data for all local authorities in the East of England which has been accepted as robust by EERA and EEDA and across the region through three iterations. This dataset has historic data up to 2001 or 2002 (it is not clear which is the first projected data point). Therefore estimates have to be made for change since 2001/2. Data are also revised in arrears, which can be significant.

The Experian 2001 figures for Peterborough are consistent with the Census (slightly higher as would be expected to account for double jobbing) which provides the most reliable measure for planning purposes, although not perfect. This suggests that the Experian 2001 level is about right.

Figure 3.2: Recent employment trends as depicted in official statistics



Source: Annual Business Inquiry, Labour Force Survey / Annual Population Survey

3.2.2 Employment Change by Sector

Statistics provided by Experian BSL provide a broad overview of changes in employment by industry in Peterborough over the period of a decade. This provides a data series, constructed from the available statistical sources to give a consistent history. This is the data series that was used as the basis for the projections underlying the RSS. The latest data available is for 2002 (although it is not entirely clear whether the 2002 is a data point or a projected estimate), and the time period examined is therefore 1991-2002. Table 3.3 provides a summary of this data.
In particular, this indicates that between 1991 and 2002 Peterborough experienced significant employment growth in the following industries:

- Construction
- Hotels and Catering
- Business Services
- Education

Smaller but positive growth was experienced in the Retail, Communications and Health sectors. In contrast, significant contractions in employment were observed within the Manufacturing, Transport and Public Administration and Defence sectors.

Table 3.3: Employment change by industry (Experian BSL data)

	1991	2002	Net Change	% change
Manufacturing	17,570	13,790	-3,780	-21.5
Construction	2,250	2,940	+690	+30.7
Retailing	11,440	11,710	+270	+2.4
Wholesaling	6,950	6,900	-50	-0.7
Hotels and Catering	3,790	4,760	+970	+25.6
Transport	8,290	4,980	-3,310	-39.9
Communications	2,470	2,670	+200	+8.1
Banking and Insurance	6,870	6,710	-160	-2.3
Business Services (and other F&Bs)	9,190	14,540	+5,350	58.2
Public Admin. and Defence	4,980	3,500	-1,480	-29.7
Education	3,830	5,820	+1,990	+52.0
Health	7,230	7,970	+740	+10.2
Other	3,600	4,210	+610	+16.9
Total Employment	89,380	91,560	+2,180	+2.4

Source: Arup using Experian BSL data.

This analysis can be supplemented with a closer examination of growing and declining sub-sectors within the most recent years for which ABI data is available. At the 2-digit SIC level,
Tables 3.4 and 3.5 identify larger sectors in Peterborough which in the period 2003-2005 observed growth or contractions in employment respectively. Small sub-sectors (with employment of less than 400 in 2005) are excluded from this analysis.

Fifteen growth sub-sectors are identified, six of which achieving double-digit annualised growth. The five sub-sectors with the largest growth were:

- Land transport; transport via pipelines
- Activities auxiliary to financial intermediation
- Education
- Public administration
- Manufacture of motor vehicles.

Thirteen contracting sub-sectors are identified, five of which registering double-digit annualised contractions in the period. The three sectors contracting the most were:

- Computer and related activities
- Post and telecommunications
- Insurance and pension funding, except compulsory social security.

These falls are in sectors that have actually expanded substantially in recent years in the greater South East area and are not expected to decline further over the long-term. In some cases the job loss can be attributed to specific closures (as with Pearl Insurance in 2002, or the closure of several post offices in Peterborough in 2003).
Overall, these trends highlight significant changes within the Peterborough economy at a sub-sector level with both large expansions and contractions being observed. Errors in the statistics over this short period cannot be ruled out as a factor in these changes.

Table 3.4: Peterborough sectors experiencing employment growth, 2003-2005

	2003	2005	Change 2003-2005		Annualised Change	
			No.	%	No.	%
60 : Land transport; transport via pipelines	1,121	1,616	495	44%	248	22%
67 : Activities auxiliary to financial intermediation	1,241	1,732	491	40%	246	20%
80 : Education	7,476	9,335	1,859	25%	930	12%
75 : Public administration and	3,888	4,847	959	25%	480	12%

defence; compulsory social security						
34 : Manufacture of motor vehicles, trailers and semi-trailers	471	584	113	24%	57	12%
91 : Activities of membership organisations not elsewhere classified	1,240	1,519	279	23%	140	11%
92 : Recreational, cultural and sporting activities	1,781	1,993	212	12%	106	6%
71 : Renting of machinery and equipment	770	859	89	12%	45	6%
74 : Other business activities	11,414	12,181	767	7%	384	3%
63 : Supporting and auxiliary transport activities; activities of travel agencies	2,922	3,083	161	6%	81	3%
15 : Manufacturing of food and beverages	939	979	40	4%	20	2%
70 : Real estate activities	1,230	1,272	42	3%	21	2%
93 : Other service activities	818	836	18	2%	9	1%
50 : Sale, maintenance repair of vehicles and motorcycles; sale of fuel	2,342	2,367	25	1%	13	1%
01 : Agriculture, hunting and related service activities	780	788	8	1%	4	1%

Source: 2003 and 2005 ABI.

Table 3.5: Peterborough sectors experiencing employment contraction, 2003-2005

	2003	2005	Change 2003-2005		Annualised Change	
			No.	%	No.	%
85 : Health and social work	9,775	9,654	121	-1%	61	-1%
65 : Financial intermediation, except insurance and pension funding	2,106	2,038	68	-3%	34	-2%
52 : Retail trade	11,686	10,972	714	-6%	357	-3%
29 : Manufacture of machinery and equipment not elsewhere classified	5,665	5,308	357	-6%	179	-3%
22 : Publishing, printing and reproduction of recorded media	2,366	2,103	263	-11%	132	-6%
45 : Construction	2,498	2,203	295	-12%	148	-6%
51 : Wholesale trade and commission trade, except vehicles	4,317	3,762	555	-13%	278	-6%
55 : Hotels and restaurants	5,089	4,242	847	-17%	424	-8%
28 : Manufacture of fabricated metal products	551	438	113	-21%	57	-10%
66 : Insurance and pension funding, except compulsory social security	3,634	2,418	1,216	-33%	608	-17%
64 : Post and telecommunications	2,271	1,280	991	-44%	496	-22%
72 : Computer and related activities	2,052	1,147	905	-44%	453	-22%

Source: 2003 and 2005 ABI.

3.3 Drivers of Change in Peterborough

Drivers of change in Peterborough's economy can be described in terms of:

- Underlying demographic trends
- Specific projects likely to take place in the near future with significant employment impacts

- Underlying economic trends driving growth in particular sectors and clusters.

These can be briefly described in turn.

Peterborough has in the past gone through periods of strong growth in both economic and population terms, the last of these being in the late 1980s and early 1990s. It is anticipated that the inclusion of Peterborough as a significant node for growth in the greater South East region is likely to return the city to a major period of change in the immediate future.

A key underlying driver of change is therefore the planned population increase in the city, with 45,000 additional residents accommodated within RSS targets between 2001 and 2021. The expansion in population will require a significant increase in employment in its own right in terms of services that are required to support that population (education, health, retail etc.). A significant increase in population will also expand the local market for companies within Peterborough. Furthermore, following the pattern experienced for instance in other growth areas (e.g. Milton Keynes), it can also be expected over the medium term that incoming population will contribute to employment growth through starting their own businesses.

In addition to this underlying factor, a number of important drivers of change can also be identified in terms of specific projects being undertaken currently or planned to take place in the near future. These are likely to have significant employment impacts both in terms of direct employment generation and also wider impacts (such as the stimulation of further inward investment and influence on the locational decisions of firms). These major projects include:

- North Westgate redevelopment - expected to create around 3,000 retail jobs and expand the city's retail catchment area.
- Gateway Peterborough distribution park, comprising 169,000 sq. metres of floorspace, and other logistics projects, such as the expected 68,000 sq. metres of floorspace to be developed at Phase 2 and Phase 3 of Kingston Park.
- Possible inland port logistics proposal
- Station Quarter mixed use development and associated 'Green Quarter'
- Significant quantity of house building
- Hospital redevelopment and expansion at the Edith Cavell site
- The University Centre and plans to expand this into a university for the city
- Proposed innovation centre

Key drivers of employment change can also be considered in terms of underlying trends in some of the main sectors and clusters comprising the Peterborough local economy.

a. Distribution and Logistics

Distribution and logistics activities have experienced significant growth in employment in Peterborough in recent years, and continuing growth is expected in coming years if planning policy accommodates this. Underlying this trend are wider national and international factors, for example, the shift of manufacturing activities from the UK overseas, and the consequent need to re-configure UK distribution networks, which is generally benefiting the more geographically central areas of the UK or those with close access to ports. The £140 million Gateway Peterborough project which will eventually create around 2,500 jobs over 170,000 square metres of floorspace on a 48 hectare site is a key example of this trend.

b. Retail

According to official statistics, retail employment in Peterborough declined slightly between 2001 and 2005. Nonetheless, this has been a major growth industry in recent years at national level (and is expected to continue to be in future). The redevelopment of the city centre, including the North Westgate project, will be the main driver for continuing growth in this sector in coming years.

c. Environmental Industries

Peterborough has an established cluster of companies and other organisations focused on provision of environmental goods and services. This is a major growth area, driven by government regulation and emerging markets for goods and services focused on environmental issues such as renewable energy and climate change.

According to unpublished cluster analysis undertaken by UK CEED, employment in Peterborough's environmental sector rose from 4,500 in 2001 to 5,000 in 2006, growing twice as fast as the rate for the economy as a whole. There are a number of drivers likely to underpin continued strong growth, including Peterborough's Environmental City branding, the existence of a specialist labour pool and other projects such as the eventual establishment of a university and an innovation centre in the city.

d. Financial Services

Peterborough remains an important location for financial services companies including Budget Insurance, Churchill Insurance and Diligentia. Although the city has experienced job losses in this sector in recent years, there has also been rapid growth in some areas, such as non-life insurance employment. It is expected that continuing cost pressures in London and elsewhere in the South East in future years will provide the opportunity for other locations with good transport links to attract employment in this area, and that the overall growth trend in employment will be upwards.

e. Media, Printing and Publishing

Peterborough already possesses a cluster of established firms in a range of media-related activities, with the long-established presence of companies such as Emap providing a major catalyst for the emergence of a supply chain in the city. Although some parts of this sector have experienced employment decline in recent years, it is expected that the industry will remain significant in the local economy for the foreseeable future.

f. Construction

While the construction industry in Peterborough remains relatively small in terms of its overall contribution to employment in the city, it has been growing rapidly in recent years. This trend is expected to continue, in particular because of the high volume of construction projects likely to go forward in the next few years, including a large volume of house-building and contracts associated with the redevelopment of the city centre.

3.4 Labour Market Balance

3.4.1 <u>Employment</u>

Data from the Annual Population Survey (APS) can be used to identify levels of employment, unemployment and economic activity in Peterborough and to compare this with regional and national averages. A summary is provided in Table 3.6. As a proportion of the working age population, Peterborough has lower employment and economic activity rates than regionally. It also underperforms against the regional averages in terms of unemployment and the proportion of working age people that are economically inactive. However, it outperforms the national averages on all four indicators, albeit by a small margin.

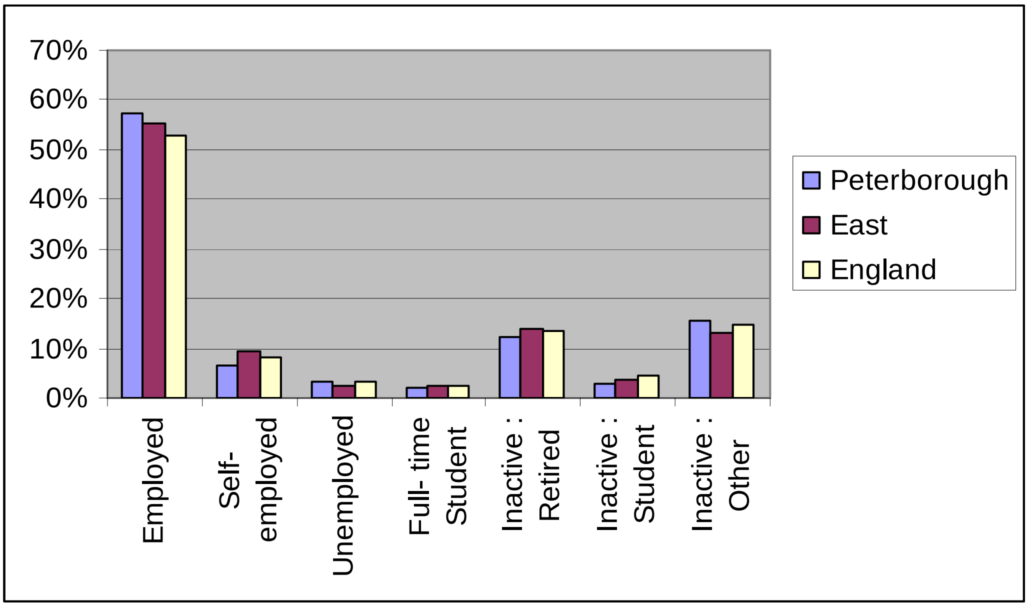
Table 3.6: Economic activity, Peterborough, July 2005 – June 2006

	Peterborough UA	East	England
Economic activity rate - working age	79.6	80.9	78.5
Employment rate - working age	75.5	77.3	74.3
Unemployment rate - working age	5.2	4.5	5.3
% who are economically inactive - working age	20.4	19.1	21.5

Source: APS, 2007.

Figure 3.3 illustrates economic activity by type in Peterborough. This shows that, of those economically active, Peterborough has a smaller proportion of individuals who are self employed or students than regionally or nationally. This may reflect a lower level of enterprise in Peterborough. Of those who are economically inactive, a greater proportion of those in Peterborough are neither students nor retirees. This could be an indication of a greater proportion of people registered on incapacity benefit.

Figure 3.3: Economic activity by type, Peterborough



Source: 2001 Census

Examining trends in unemployment since 2000 (see Table 3.7), the level of unemployment in Peterborough has fluctuated around an upwards trend. Between the periods March 2000-February 2001 and July 2005-June 2006 the level of unemployment increased by 1.1 percentage points (an increase of 26%). Whilst an upward trend has also been experienced in the East region over the same period, the increase regionally has been less pronounced (an increase of 0.8 percentage points, equivalent to a rise of 22%).

Table 3.7: Unemployment, Peterborough, March 2000 – June 2006

	Unemployment (% of working age)	
	Peterborough	East
Mar00-Feb01	4.2	3.6
Mar01-Feb02	4.8	3.7
Mar02-Feb03	4.7	3.9
Mar03-Feb04	4.6	3.7
Jan04-Dec04	4.5	3.7
Jan05-Dec05	4.9	4.0
Apr05-Mar06	5.1	4.0
Jul05-Jun06	5.3	4.4

Source: NOMIS 2007.

Recent research has also indicated that the current standard measures of unemployment understate the true level of unemployment and ignore 'hidden unemployment'. This research provides a new assessment of the scale of unemployment across Britain and considers not only the men and women included in the official 'claimant count' but also the very large numbers diverted onto other benefits or out of the benefits system altogether. For Britain as a whole, in January 2007, the new figures point to 2.6m unemployed, compared to just over 0.9 million on the claimant count. The difference is attributable to an estimated 1.7m 'hidden unemployed'. The largest single group of hidden unemployed (of around 1m) are individuals who have been diverted onto incapacity benefits. The other major group of hidden unemployed are those who are looking for work and available for work but not claiming either unemployment or incapacity benefits. Taking account of 'hidden unemployment', it is estimated that in January 2007, real unemployment in Peterborough was in order of 8.3%. For Cambridge, the estimated real unemployment figure was only 3.4%. This indicates that there is significant 'hidden unemployment' in Peterborough.

3.4.2 Travel-to-work Patterns

The national census is the most effective data source for detailed travel to work data. Travel to work areas (TTWAs) are census-derived geographical descriptors of key employment centres and their hinterland. The way in which TTWAs are defined is complex, but individual TTWAs are initially identified by having more than 75% of the resident workforce in employment within the area. The extent of its hinterland is then defined in relation to the relative pull of other TTWAs in neighbouring areas.

Travel to work data from the 2001 census can be used to identify the key destinations for Peterborough residents travelling to work and origins of those workers coming to work in Peterborough. In relation to outward movements, it should be noted that as the figures refer to Peterborough UA residents only, it is likely that there is an under-representation of London commuters from the railway station (since some may live outside the unitary area). Table 3.8 summarises the key flows (over 500) in and out of Peterborough.

Table 3.8: Journey to work flows in and out of Peterborough, 2001

In	Total	%	Out	Total	%
Fenland	5,150	17%	Cambridge	575	4%
Huntingdonshire	6,089	20%	Fenland	1,497	11%
Rutland	950	3%	Huntingdonshire	2,525	19%
Lincolnshire	11,569	38%	Greater London	1,625	12%
Northamptonshire	2,193	7%	Lincolnshire	2,448	19%
			Northamptonshire	1,175	9%
Other	907	3%	Other	816	6%
Total (>500)	26,858	88%	Total (>500)	10,661	81%
Grand Total	**30,458**	**100%**	**Grand Total**	**13,185**	**100%**
Net commuting	**17,273**				
Net commuting as % of resident workforce	**24%**				

Note: All People aged 16-74 in employment.
Source: Census 2001, Origin-Destination Table W107.

The data shows that Peterborough is a net importer of workers, with more than twice as many people commuting into the area as commuting out. In-commuting is dominated by Lincolnshire (38% of all in-commuting) and Huntingdonshire (20%). There are also strong inward movements from Fenland and Northamptonshire. For out-commuting, there are important counter-flows to Lincolnshire (19% of all out-commuting) and Huntingdonshire (19%).

In comparison to 1991 data (see Table 3.9), there has been an increase in net commuting of 4,253 journeys. The number of trips coming into Peterborough has increased by 39% from 21,980 in 1991 to 30,458 in 2001. At the same time, the number of residents commuting out of Peterborough district to employment has increased by 49% from 8,870 to 13,185. Overall, net commuting as a proportion of the resident workforce has increased from 20% to 24%. This indicates that businesses in Peterborough may increasingly be having to source their required workforce (for example, in terms of skills of qualifications) from outside of the area.

Table 3.9: Journey to work flows in and out of Peterborough, 1991

In	Total	%	Out	Total	%
Huntingdonshire	4,980	23%	Huntingdonshire	1,890	21%
Fenland	4,320	10%	London	1,330	15%
South Holland	1,450	7%	Fenland	1,250	14%
Northamptonshire	1,350	6%	Northamptonshire	520	6%
Rutland	700	3%	Cambridge	500	6%
South Kesteven	540	2%			0%
Other	1,210	6%	Other	1,350	15%
Total (>500)	14,550	66%	Total (>500)	6,840	77%
Grand Total	**21,980**	**100%**	**Grand Total**	**8,870**	**100%**
Net commuting	**13,020**				
Net commuting as % of resident workforce	**20%**				

Note: Census 1991, 10% workplace statistics, multiplied by a factor of 10. Results shown at district level for surrounding areas of Cambridgeshire and Lincolnshire, and at county level for other destinations.

3.5 Workplace Economy

As illustrated in Table 3.10 below, the city's economy is characterised by a number of major employers, which includes a number of important manufacturing plants despite the wider trend of employment decline in this sector in the UK as a whole. Manufacturing activities include environmental products to serve the renewables sector (e.g. Peter Brotherhood), but also to serve the transport sector (e.g. Perkins Engines), or in food processing (e.g. APV Baker) and white goods (e.g., Hotpoint/Indesit).

Peterborough is also an important centre for large service sector companies, including several in the financial services, media and travel industries, as well as for public sector activities. The nature of large-scale employment in the city has implications for future provision of land and premises as discussed elsewhere in this report, notwithstanding the need to provide space for small and medium size companies.

Table 3.10: Large companies in Peterborough

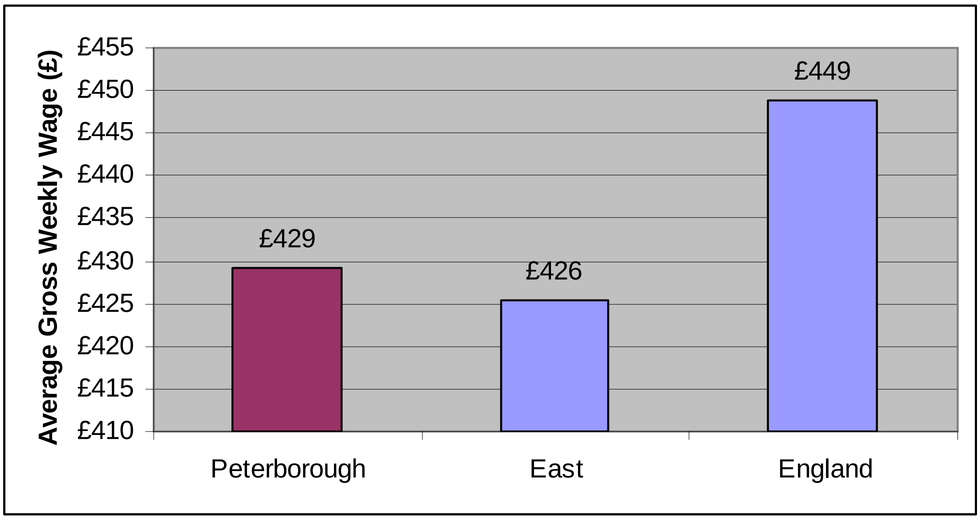
Company	Sector
Perkins Engines Ltd,	Part of US owned Caterpillar Group, employing 3000 staff. Design & manufacture of industrial diesel engines.
Thomas Cook Group	Part of German owned Thomas Cook AG. Proposed merger with UK owned My Travel. Currently employing 1400 staff.
Royal Mail	Regional Mail Centre, employing 1500 staff.
Hotpoint (Indesit)	Part of Italian owned Merloni Elettrodomestici. White goods manufacturer, employing 1400 staff including their Service Call Centre team.
EMAP	Active & Automotive Divisions, Publishing Group, 1300 staff.
Diligenta	Owned by Indian Group TCS (TATA Consulting Services) financial services division including ‘closed book’ funds management, initially relating to Pearl Ass portfolio. Employing 1000 staff. Pearl continues to employ a further 200 staff on the same site.
Budget Inns	South African owned. Now one of UK's largest personal insurance lines intermediaries. Employing 1000 staff.
Tesco Distribution Centre	Regional centre employing 1400 staff
Churchill Ins Group	Part of RBS Group, which includes Nat West Bank, Direct Line, NIG Ins, Tesco Pers Ins, Privilege Ins, Prudential Ins. Employing 1100 staff.
Travelex Global & Financial Services Ltd	Employing 850

3.6 Economic Well-being

3.6.1 Income

Data collected in the Annual Survey of Hours and Earnings (ASHE) can be used to compare wage levels in Peterborough with those in the wider region and nationally. This shows that average gross weekly earnings in Peterborough are substantially less than the comparable figure nationally. However, wages in Peterborough do sit slightly above the average for the East region.

Figure 3.4: Gross weekly wages (mean), workplace-based



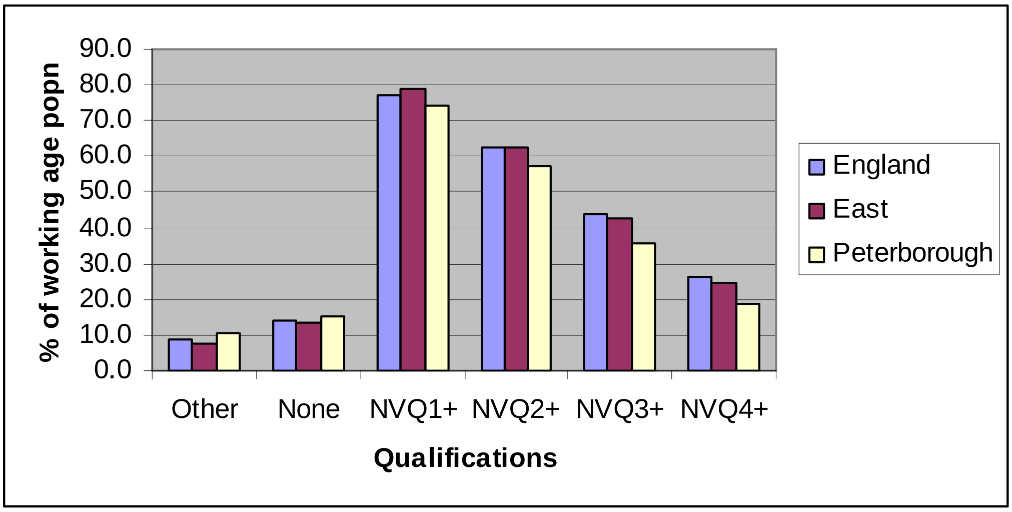
Source: 2006 ASHE.

In recent years job creation has tended to be in sectors that are relatively low-paid and low skilled – to an extent a consequence of the opening of large logistical centres. The arrival of large numbers of migrant workers in the Peterborough area, many of whom are employed in low-paid work and who will need help to be integrated fully into the local economy, is also a consideration.

3.6.2 Skills and Qualifications

Annual Population Survey (APS) data provides information on qualifications. As shown in Figure 3.5, as a proportion of the working age population Peterborough clearly has a lower proportion of people with level NVQ 1-4+ than either regionally or nationally. It also has a higher proportion of individuals with no qualifications. This indicates that a qualification gap exists in Peterborough relative to the region and rest of the country as a whole.

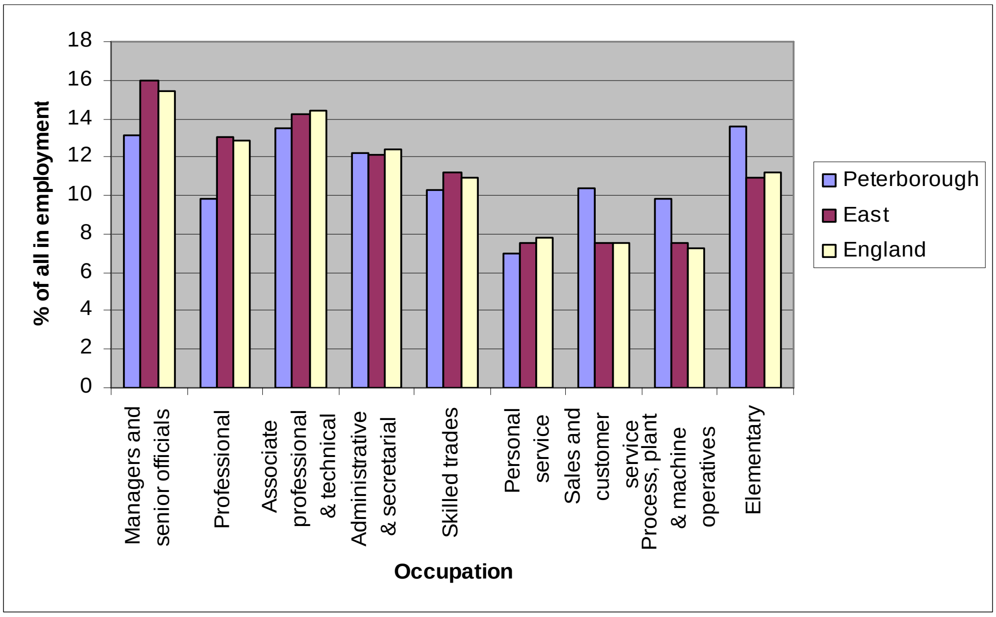
Figure 3.5: Qualifications



Source: 2005 APS.

In terms of occupational skills structure, as shown in Figure 3.6, Peterborough's skills base is skewed toward elementary, process and service occupational groups. A significantly greater proportion of those in employment are within these groups than regionally or nationally. At the upper occupational scale, Peterborough has a significantly smaller proportion of workers in managerial and professional occupations. This skills profile may explain the trend toward greater in-commuting in Peterborough as identified previously.

Figure 3.6: Occupations, Peterborough, July 2005 – June 2006



Source: 2005 APS.

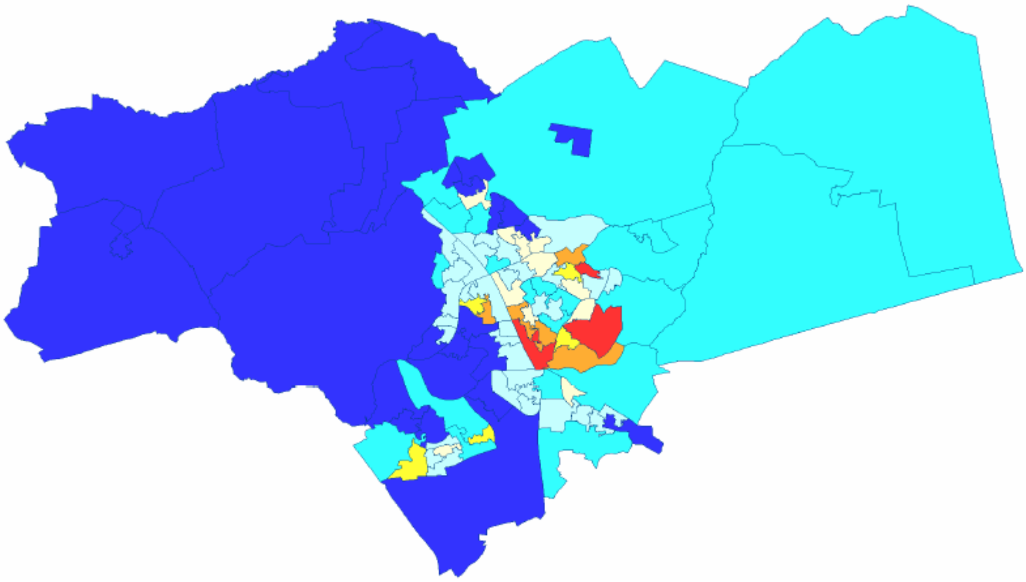
3.6.3 <u>Deprivation</u>

Examination of the Indices of Deprivation (ID) published by DCLG enables the identification of deprivation affecting the area and its residents. The ID 2004 contains seven Domains of deprivation: Income deprivation, Employment deprivation, Health deprivation and disability, Education, Skills and training deprivation, Barriers to Housing and Services, Living environment deprivation and Crime. Each Domain contains a number of indicators.

Overall levels of multiple deprivation are well above average for the region. Peterborough District is the 4th most deprived of the 48 Districts in the region, after Norwich, Great Yarmouth and Ipswich. Similarly, a greater proportion of working-age people receive DWP benefits than all other sub-regions. Within Peterborough there are a number of areas with extremely high levels of deprivation. Examining the employment domain, 4 of the 104 Super Output Areas (SOAs) in Peterborough are within the 5%-10% most deprived nationally, 11 are within the 10%-20% most deprived. On the income domain measure, 6 SOAs fall within the 5% most deprived nationally, 8 within the 5%-10% most deprived and 16 within the 10%-20% most deprived. On the overall deprivation measure, Peterborough has 41 SOAs in the most deprived 10% across the region, which corresponds to nearly 40% of the Peterborough population living in the most deprived 10% of regional 'hotspots'. Figures 3.7 and 3.8 show ID rankings at lower SOA level in Peterborough for the employment and income domains.

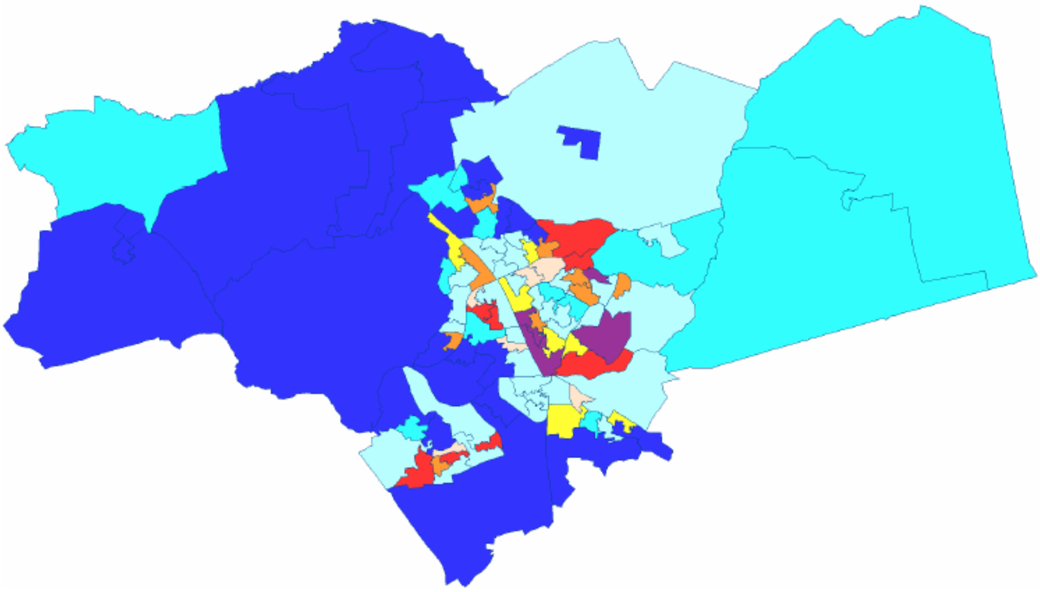
The claimant count, those seeking Job Seekers Allowance (JSA), is also relatively high in Peterborough. As a proportion of the resident working age population, in October 2006 the claimant count was 2.9% compared with 1.9% for the East region and 2.5% nationally. Peterborough faces a challenge to break the cycle of low aspiration, poor skills and low wages that prevail in many communities. In the poorest neighbourhoods, there is a need to reduce worklessness and crime, and achieve better skills, housing and physical environments.

Figure 3.7: Peterborough Unitary Authority Area – IMD Employment Rank (Lower SOA)



Source: 2004 ID.

Figure 3.8: Peterborough Unitary Authority Area - IMD Income Rank (Lower SOA)



Source: 2004 ID.

Key

	Within worst 5% nationally		Within worst 20-25% nationally
	Within worst 5-10% nationally		Within worst 25-50% nationally
	Within worst 10-15% nationally		Within worst 50-75% nationally
	Within worst 15-20% nationally		Within worst 75-100% nationally

3.7 Summary

- ***Overall employment data for Peterborough suggests that there was little net change in workplace based employment between 2001 and 2006***, although the level appears to have risen and then fallen in intervening years. The official statistics, however may not include all recent migrants.

- ***In 2005, three sectors accounted for almost three-quarters of employment in the Peterborough economy***: Public administration, education and health; Banking, finance and insurance; and Distribution, hotels and restaurants.

- ***In the period 1991-2002, Peterborough experienced significant employment growth in Construction, Hotels and Catering, Business Services, and Education.*** Smaller but positive growth was experienced in the Retail, Communications and Health sectors. In contrast, significant contractions in employment were observed within the Manufacturing, Transport and Public Administration and Defence sectors.

- Further analysis at 2-digit SIC level between 2003 and 2005 highlights that overall, there have been significant changes within the Peterborough economy at a sub-sector level with both large expansions and contractions being observed.

- The city's economy is characterised by a number of major employers which includes a number of important manufacturing plants despite the wider trend of employment decline in this sector in the UK as a whole.

- Peterborough is also an important centre for large service sector companies including several in the financial services, media and travel industries, as well as for public sector activities. The nature of large-scale employment in the city has implications for future provision of land and premises as discussed elsewhere in this report, notwithstanding the need to provide space for small and medium size companies.

- ***Drivers of change in Peterborough's economy can be considered at three broad levels***: (i) Underlying demographic trends, (ii) Specific projects likely to take place in the near future with significant employment impacts, and (iii) Underlying economic trends driving growth in particular sectors and clusters. In particular, it is anticipated that the inclusion of Peterborough as a significant node for growth in the greater South East region is likely to return the city to a major period of change. There are also a number of large projects being undertaken currently or planned to take place in the near future in the city which will have both significant direct and wider employment impacts.

- ***Six key sectors and clusters are likely to act as key drivers of change in the Peterborough local economy***: Distribution and Logistics, Retail, Environmental Industries, Financial Services, Media, Printing and Publishing, and Construction.

- ***Nonetheless, Peterborough faces significant challenges in terms of employment and economic participation***. As a proportion of the working age population, Peterborough has lower employment and economic activity rates than regionally. It also underperforms against the regional averages in terms of unemployment and the proportion of working age people that are economically inactive. Examining trends in unemployment since 2000, the level of unemployment in Peterborough has fluctuated around an upwards trend. It has also been highlighted that the results of recent research indicate that there is significant 'hidden unemployment' in Peterborough.

- ***Skills and qualifications are also an area where Peterborough is underperforming***. As a proportion of the working age population Peterborough has a lower proportion of people with level NVQ 1-4+ than either regionally or nationally. It also has a higher proportion of individuals with no qualifications – indicative that a qualification gap exists in Peterborough relative to the region and rest of the country as a whole. Peterborough's skills base is skewed toward elementary, process and service occupational groups and Peterborough has a significantly smaller proportion of workers in managerial and professional occupations. There is evidence that businesses in

Peterborough may increasingly be having to source their required workforce (for example, in terms of skills of qualifications) from outside of the area. Net commuting as a proportion of the resident workforce has increased from 20% to 24% between 1991 and 2001.

- ***There is a need to improve the economic well-being of Peterborough's residents***. Overall levels of multiple deprivation are well above average for the region. Peterborough faces a challenge to break the cycle of low aspiration, poor skills and low wages that prevail in many communities. In the poorest neighbourhoods, there is a need to reduce worklessness and crime, and achieve better skills, housing and physical environments.

CHAPTER 4: LAND AND PROPERTY MARKETS

4.1 Introduction

This section provides an overview of the industrial and commercial property markets in Peterborough. It is based on information gleaned from site visits, informal discussions with property professionals familiar with the area and from desk research using (inter alia):

- The RICS Commercial Property Survey for Quarter 1 2007
- Valuation Office Agency reports
- Reports from the trade press
- Published reports from CBRE, Savills and King Sturge
- The Allsop's and Jones Lang Lasalle/CMX auction databases
- EGi 'Deals' and 'PropertyLink databases. (These record historic transactions and property currently on offer respectively)
- Information on available property publicly available from agents that are active in Peterborough, e.g. Carter Jonas, Lambert Smith Hampton, Baker Storey Matthews and King Sturge.

The following issues are covered in the rest of this section: current property stock, trends in office and industrial markets, including the picture at national, regional and local levels, the balance of supply and demand, and prospects for future requirements as revealed by existing market conditions. Floorspace figures are expressed in square metres (sq m).

4.2 Peterborough Property Stock

Table 4.1 sets out the floorspace and number of units of the main B employment uses as recorded in the CLG (former ODPM) floorspace statistics. This shows the most rapid growth occurring in warehouses which have grown (in floorspace) by 44% between 2001 and 2006. However the number of 'warehouse' units grew by just 10%, implying a strong trend to very large units which is apparent in the large recent developments such as those for Ikea, Debenhams and Tesco. Office floorspace has grown by 13% over the same period, while the number of office units grew by 17%, and the number of commercial offices, the largest category, grew by 20%.
This implies a fall in the average size of units. Factory floorspace has shown much slower growth at 5%, with a smaller increase of 2% in the number of units.

Table 4.1: Peterborough Property Stock (units and floorspace)

	2001	2002	2003	2004	2005	2006	% Change 2001-2006
Units							
All Bulk Classes	3,796	3,818	3,853	3,927	4,098	4,026	6%
Total Offices (1)	931	945	969	1,026	1,026	1,089	17%
Commercial Offices (2)	820	827	838	883	917	980	20%
Other Offices (3)	111	118	131	143	109	109	-2%
Factories	808	800	804	797	790	823	2%
Warehouses	683	697	703	714	705	753	10%
Floorspace m2 (thousands)							
All Bulk Classes	2,266	2,402	2,629	2,672	2,689	2,780	23%
Total Offices (1)	399	410	421	426	436	449	13%
Commercial Offices (2)	358	367	376	377	393	405	13%
Other Offices (3)	41	43	45	49	43	44	7%
Factories	808	777	897	890	854	850	5%
Warehouses	683	798	892	932	900	983	44%

Source: ODPM/CLG Industrial and Commercial Floorspace Statistics

The figures in Table 4.1 above include the following:

(1) purpose-built office buildings, offices over shops, light storage and light industrial activities. Larger banks, building societies and post offices containing substantial office space may be in this class rather than the retail class.
(2) commercial offices group comprises mainly purpose built office buildings and various types of non-domestic buildings converted to offices, offices over shops and computer centres. The commercial office category also includes central government offices but not local government.
(3) the 'other offices' comprises mainly local government offices, surgeries and clinics, and police stations.

Table 4.2 sets out the available vacancy statistics, which are for combined bulk categories of industrial and commercial uses. These show a fairly consistent level of vacancy overall since 1998/9 of mainly 7% to 9%, close to the regional average.

Table 4.2: Peterborough Floorspace Vacancy

	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
England	7%	7%	7%	8%	9%	9%	9%
East of England	8%	8%	7%	7%	8%	8%	8%
Peterborough	9%	7%	8%	6%	7%	7%	8%

Source: ODPM/CLG Industrial and Commercial Property Estimated Vacancy Statistics: England 2004/5

4.3 Office Markets

4.3.1 National and Regional Context

Occupier demand for office space has been relatively subdued in most parts of the country throughout most of the past decade. In the south it sank with the bursting of the ICT bubble at the turn of the decade but has picked up sharply in the past three years. In recent months while the returns from the property market generally have been easing the strongest performance has come from private sector office development. (Source: Jones Lang LaSalle UK Property Index Q1 2007). The foci of improvement have been:

- London, which history suggests tends to lead markets elsewhere
- Increased output from the business and financial services sector.

This recent increase in occupier demand has led to the amount of available office space declining during the past three years even though completions of new buildings have increased. The RICS Commercial Property Survey is particularly valuable because it describes existing market conditions but also polls surveyors for their views on current enquiry levels and trends. This provides a useful short / medium term lead indicator. The latest report (2007 Q1) shows that while the demand in London and its immediate environs now shows signs of levelling off, demand in other places is improving with employment in the service sector rising at its fastest quarterly pace in over three years. In the short term this pattern is expected to continue.

The regional picture is more mixed. In the East there has been an increase in development starts and a decrease in available stock, but a sharp increase in surveyor confidence in the short term strength of the market is offset by an apparent fall in the number of occupier enquiries. An analysis of development activity from agents Savills broadly supports this view (Savills: PMI Report on Commercial Development Activity Feb 2007) and points to high and increasing levels of development activity in the office market. In parallel with this improvement in occupier demand, the multiple of rents that investors are prepared to pay for property has increased in recent years. The overall result has been a dramatic improvement in capital values.

Investor demand also plays a key role in determining the value and viability of new development. This has now begun to cool from the historically high levels achieved in recent years, across most of the range of types of property investment. However market commentators and some of the largest developers now take the view that the improvement in capital values attributable to investor demand has reached a cyclical peak and that future growth will depend on rising rents. It is noticeable that investors are now paying historically high multiples of potential rental income to buy office buildings in anticipation of rising rents in parts of the wider South East region. The market for lower quality or ‘secondary’ investments is seen as particularly vulnerable (Schroders: ‘Where to Find Value in the UK property Market’, July 2006). This category would include most of the office stock in Peterborough which is not seen as a major office centre. (For instance, Norwich and Cambridge are included in the Jones Lang LaSalle ‘50 Office Centres Report’ on market performance. Peterborough, Leicester and Northampton are not.)

4.3.2 <u>Demand</u>

The local office market in Peterborough comprises around 400,000 sq m of stock. A comparatively large proportion of this is located ‘out of town’ in areas like Orton Southgate and Hampton. In the city centre there are clusters around Northminster and Priestgate where much of the stock is over twenty years old but appears to be in reasonable condition. The vacancy rate appears to be much higher in the town centre than in the business parks.

Table 4.3 sets out the data on the annual take up of space over the past decade as reported in the EGi Deals database. This is based upon transactions reported by subscribing agents and provides a gauge of the volume of occupier demand in the town as a whole. However the quality of the raw data is problematic with errors of double counting and miscategorisation offset by the number of instances (about 10% in this case) in which no floorspace data is provided. The general impression is that take up has varied between under 5,000 sq m net in poor years to around 20,000 sq net in good years, excluding ‘one off’ transactions such as the letting of space in the Pearl building to Diligentia.

Table 4.3: Office Lettings and sales recorded on EGi database

Year	Reported volume of sales and lettings (sq m net)	Number of transactions with floorspace data	Note
2007 to date	7,120	4	
2006	45,000	45	Figure adjusted. The EGi data appears not to include the Diligentia letting
2005	16,364	66	
2004	21,241	98	Excludes reported 19,870 sq m low rent, short-term letting at Tesla Court (understood to be miscategorised industrial transaction)
2003	3,168	15	
2002	5,700	20	Excludes 22,398 sq m sale of 1210 Lincoln Road. This is understood to be a mis-categorisation by EGi of the sale of the property occupied by Potter & Moore.
2001	14,330	47	
2000	269	2	
1999	20,022	12	Includes 5000 sq m + letting to ALG at Thorpe Wood House and to Cloche at Newcombe Way, Orton Southgate
1998	3,391	9	
1997	8,415	12	
1996	45,990	47	Includes 5 major lettings at Churchgate in New Road (Tot 17,500 sq m approx) , also Bretton at Bridge House in London Road

Source: EGi

The EGi data indicates that the average deal size is small and has probably declined over the past few years. This might reflect the decline in major relocations of financial sector backoffice functions. It is open to question whether another source of demand for large units will arise to compensate for this. It is worth reflecting that the prospect of small lettings is not as appealing to developers. The median size letting reported by EGi is around 500 sq m so it would take a hundred of these to replicate the amount of space taken by Diligentia.

Based on a study of the plans and strategies of the larger office developers as witnessed by their Annual Reports and information published on their websites, they appear to be focusing on units in the size range 1,000 sq m to 5,000 sq m. Smaller units are less likely to attract better quality tenants and can take more effort. Larger units increase exposure to letting risks. In design terms there seems to be more interest in town centre and mixed use locations, reflecting the increased importance attached to public transport access and local services. This mirrors a decline in interest in the business parks which were popular in earlier market cycles. Smaller developers have been more opportunistic and have found value in the demand for small units for freehold sale and owner occupation. In design terms developers need to ensure that floorplate sizes are appropriate and in areas like Peterborough, that buildings can be split for multiple occupation if required. This militates against tall and thin buildings or squat structures with deep floor plans. Occupiers are becoming increasingly conscious of the total cost of occupation. There is anecdotal evidence of a move to avoid elaborate mechanical and electrical systems, where these are not required in response to specific issues such as local air quality and noise, and also interest in reducing the overall space requirement through encouraging different work patterns such as homeworking.

4.3.3 Supply/Demand Balance and Development Viability

The best test of viability is whether or not there is any development taking place. There have been no significant developments in the town centre in recent years and the amount of existing space available in modern buildings at economical rents would not encourage it. At Priestgate House in Priestgate, suites and floors which are well equipped but not air conditioned are being offered at around £100 sq m. A floor at Trinity Court is priced at £92 sq m. The agents are quoting £140 sq m for space in the renovated 11,000 sq m net Stuart House and are targeting lettings to Government departments.

By way of comparison, if a medium quality town centre scheme were let at say £170 sq m, a figure that would not appear to be out of reach but which has not been achieved yet either in or out of town, it might fetch up to £2,800 sq m as an investment, reflecting the rent multiples paid in Peterborough in the past. Looking forward, it might do rather better. In any event, with development costs at around £2,000 sq m or more and allowing for developer's profit at 20% of value, it follows that the land values generated from new development would not be enticing where existing use values were significant and in the context of the lettings risks. This implies that development is at best marginal in the city centre and if market conditions remain broadly as they are at present it is unlikely that any significant amount of development will take place until some of the existing stock is taken up. In the meantime renovation of existing space might be the most cost–effective response from the development market to demand for new city centre space.

There has been development out of town, where there is more evidence to support demand and pricing projections, and development costs are lower. (Out of town developments usually comprise rather simpler forms of building and occupy land with negligible current use value.) Most of this appears to have been speculative, which is common for small and medium sized units and this has comprised around 8,000 sq m p.a. over the past few years. Examples include Cygnet Park, Swan Court, Tyndall Court and Bretton 1A in Coningsby Road. In specific terms, among the few new developments, office space at 'The Pavilions' at Cygnet Park in Hampton is being offered at £170 sq m which, if achieved, would represent a significant recent advance. There is quite a bit of older but still functional modern stock on the market at present and this is competitively priced. Examples out of town include Olympus House in Staniland Road, a two storey business park style building where suites are being offered at £110 sq m. Western House at Peterborough Business Park is being offered at £130 sq m and Homonene House at the Orton Centre is on the market at around £100 sq m leasehold or £960 sq m freehold. It is clear that development is viable but the quantity and quality of second hand space on the market does not suggest that rents will increase as a result of any shortage of better quality stock in the short term.

It is not easy to estimate the likely take up of new office space in the city. As a starting point it is useful to consider take up in the market as a whole i.e. including second hand space. Based on the two sets of data overall and making the assumption that large lettings such as Diligentia will occur sporadically, and that the average take up in recent years has been marginally below the long-term trend, suggests that average take up of new and second hand space could be about 20,000 sq m net per year.

In this context and in respect of footloose office requirements generally, it is worthwhile considering the situation in competing centres. Rents in Cambridge have fallen some way since their peak during the ICT boom in 2001 when they reached £280 sq m. Now they are around £250 sq m, with very little new development in the pipeline and constraints on availability in the town centre, where a key issue for occupiers is the restrictive parking policy. Norwich on the other hand has a less cyclical market where rents have typically been around £155 sq m in the town centre and £165 sq m out of town but where developers are now looking forward to the possibility of rents as high as £185 sq m for new development. According to the trade press, take up over the past five years has been around 25,000 sq m p.a. in both Cambridge and Norwich.

The supply pipeline is estimated at approximately 340,000 sq m gross of office floorspace in extant and unimplemented planning permissions and a further 100,000 sq m gross in the pre-application pipeline. **This is considerably higher than in competing centres and the amount of potential space might in itself be a disincentive to developers.** If there was a significant growth in the volume of development, in the short term, it might depress prices and development in the medium term.

Taking the existing take up of new and old space and the capacity and pricing in competing markets together, **in the absence of a demonstrable step change in the attraction of the offer to occupiers, the highest volume of new office development that it might be reasonable to expect for planning purposes is of the order of 10,000 sq m net a year. At this level it would take more than 30 years to take up the space in the supply pipeline.**

4.3.4 Future Market Context for Offices

The property press and agents all provide forecasts of changes expected in the property market in the short to medium term. It needs to be stressed that unlike residential markets, the main macro economic characteristic of commercial property markets is that in most places there is no fundamental shortage of development opportunities and the consequential mismatch of supply and demand that might drive up rents and land prices. Rather, land values are prone to pronounced cyclical fluctuations in both demand and value, driven by macro economic factors, although local patterns are heavily influenced specific factors such as transport improvements.

In quantitative terms the market consensus as witnessed by the trade press, agents reports and the reports of the major investment companies is that in the short / medium term investment yields will either remain at current levels or marginally soften. Office rents might improve significantly but rental growth in other sectors will be patchy. A benign assumption would be that yields do not fall and that rent levels in constant terms rise towards the high points that they have achieved in the past, then the value of office land should improve. But on the other side of the coin the balance of risks in terms of investment yields is currently on the downside and it is likely that construction costs will rise at a rate in excess of inflation in the economy as a whole, especially in the run up to the Olympics. Therefore a more robust assumption for planning purposes is that a marginal softening in the investment market coupled with rising construction costs is likely to offset the effect of improving rental values and that as a result office land values as a whole will not significantly improve over, say, the next five years.

In qualitative terms, it has been suggested that the fashion for business park locations is on the wane, with more emphasis being placed on access by public transport and the availability of local services. As it stands, this observation is based on anecdote and cannot be quantified. It is noticeable that the big business park developers of the last office market cycle are no longer promoting a lot of schemes. But, conversely, in places like Cambridge it would appear that the low numbers of parking spaces allowed in new office schemes in the town centre are suppressing the appetite for new town centre office development and promoting good use of existing buildings which often have more generous provision.

4.3.5 Conclusions on Offices

At the prevailing level of rents for new space it is clear that, in locations on the fringes of Peterborough, office (as well as industrial and distribution) development is viable on land that is currently unused or developed at very low plot ratios. The highest exceptional costs encountered might normally be the remediation of brownfield sites and providing suitable access. In all but the most extreme circumstances this should be affordable.

Development of office space in the town centre is more challenging due to the amount of reasonable quality space available in existing buildings, the 100,000 sq m of gross office floorspace in the pre-application pipeline, and an apparent shortage of demand. Government relocations arising from the Lyons Review might go some way to increasing town centre take-up, but progress with these has been limited so far, and there are a lot of towns competing for the jobs on offer.

However the evidence reviewed has given no indication that the amount of office space that is in the pipeline in Peterborough will be taken up in the foreseeable future. Because developers are usually careful to make sure that there are sound prospects of a first letting before committing to development, there is a real danger that much of this space will not be built unless there is a step change in the service sector in Peterborough's economy.

Developers look for firm evidence of occupier demand and the rents levels obtainable. Occupiers will tend to pay most attention to places where there is a reasonable prospect of obtaining a building which suits their needs. For occupiers, there is certainly a case that Peterborough represents good value from a rental point of view and compared with similar sized cities within a similar distance from London. But it is not alone in that. In the wider region, Norwich, Northampton and Leicester also offer competitively priced office stock. **There is the possibility of improving the relative attraction of office development in the town centre by taking an unrestrictive approach to parking provision, or accepting that new office development will form part of the 'doughnut' of development around the town rather than in the town centre.**

From the developer's point of view, it is important to recognise the cyclical nature of the market. There will be periods when development is not possible and equally it is reasonable to expect a repeat of the historic experience of periods of short-term over-development followed by an unsustainable increase in stock. (Hence the number of towns with an overhang of 1960's and 1980's space which, once empty, can be hard to re-let). It is important to make sure that there are sites ready to be developed quickly when market conditions permit. Conversely, in the context of comparatively low levels of take up in the past, the sheer amount of potentially competing space in the planning pipeline may discourage developers. In any event it appears risky to assume that the office space in the development pipeline will be built out within (say) 20 years.

4.4 Industrial and Warehouse Markets

4.4.1 The National and Regional Context

The demand for industrial and distribution space has not followed the decline in the office markets during the past decade and has tended to remain active and steady, underpinned by demand for larger and taller warehouses. The market for pure industrial space tends to follow trends in industrial output which have fluctuated around a long-term declining trend. At present demand from manufacturers is rising, helped by a cyclical increase in exports to the EC but the general outlook is clouded by the combined effect of rising interest and exchange rates. The RICS Commercial Property Survey reported that confidence and activity in the Eastern Region was comparatively high. The Report quotes Barker Storey Matthews view that "demand for freehold industrial and office properties remain buoyant with a number of good quality enquiries in the market place".

This market has also benefited from improvements in investor demand and the rent multiples paid for good quality warehouse investments are at an historic high. In terms of occupier preferences, there has been consistent demand in recent years for units at the smallest end of the size range which the market struggles to deliver at prevailing rental levels, and also the large and tall warehouse units that can provide the most efficient response to current logistical requirements. In their Report 'UK Property Predictions 2007 – Industrial', agents King Sturge, who are sector specialists, point to a continuation of the latter trend and the popularity of freehold units at the lower end of the size range.

4.4.2 The Local Market

Peterborough is rated one of the top 50 industrial and distribution markets in the UK, by Jones Lang LaSalle who assess achievable rents at £54 sq m. This is comparatively low by the standards of centres at this distance from London but development is viable at this level and can produce healthy land values, hence the current pressure to identify new development opportunities. VOA data points to historic industrial land values of around £650,000 per hectare. This suggests that Peterborough is a competitive location and it is clear that there has been and in the short term will continue to be healthy demand for distribution facilities. The presence of major developer /investors in distribution parks, such as Pro Logis, who are more strategic than opportunist in their location choices, is testimony to this. They have 60 ha at Kingston Park.

4.4.3 Demand

Agents Savills have produced data on the availability and take up of industrial space for the Estates Gazette. This is summarized in Table 4.4 below which covers industrial space in general, and therefore includes property within several different Land Use Classes (e.g. B1c / B2 / B8).

Table 4.4: Industrial Property: Take Up and Availability

Year	Take-up (Sq m net)	Availability (Sq m net)	Rents
2002	200,000	140,000	£46
2003	130,000	155,000	£48
2004	45,000	160,000	£48
2005	90,000	130,000	£48
2006	45,000	135,000	£54
2007	No data	165,000 (Forecast)	

Source: Estates Gazette (March 10th 2007)

In the distribution sector large scale lettings are common and this can skew the data for any given year. The Debenhams and IKEA units which were 67,000 sq m in 2005 and 76,000 sq m in 2003 respectively, are good examples. Conversely, a lack of large units will depress the figures. The rate of reported take up is likely to increase again when the Gateway Peterborough scheme is completed. This will comprise over 160,000 sq m of space with the largest unit being over 60,000 sq m.

Overall, the rate of take up has averaged around 102,000 sq m p.a. over the past five years and it seems reasonable to suppose that this could be maintained in the medium term at least if good sites are made available with planning permission for the type of development that is in demand. It is difficult to estimate what the rate of absorption of new development might be but there is at least a case to be made that a reasonable proportion of take up could comprise new space until the current general shortfall of larger distribution units is rectified.

4.4.4 Supply/Demand Balance and Development Viability

Typically, large distribution units are often built to the specific requirements of an identified occupier. In terms of speculative development, examples of new stock on offer include an unimpressively presented new 1,022 sq m warehouse unit on Stevern Way in the Eastern Industry Area, priced at £60 sq m leasehold and £700 sq m freehold, and basic units at Club Way, Hampton on offer at a marginally higher rental but a much higher freehold price - £850 sq m.

Older industrial and warehousing sites can be candidates for redevelopment since they are often seen as low value and low intensity uses. In Peterborough, functional quality larger second hand units can let at around £40 sq m for larger units, an example being a 7,560 sq m unit being offered at Orton Southgate. Among the older stock, a 1950's style unit in the Eastern Industrial area with low quality two storey offices fronting a warehouse with an eaves height of only 4.2m is currently being offered freehold at £480 sq m. Typically, buildings of this sort have a fairly high plot coverage, but even assuming coverage of 50%, this would equate to a value of £2.4m per hectare, a sum considerably in excess of the underlying value of the land for development. Another example is a newer but poorly built and maintained warehouse at Station Road, Whittlesey (just outside the local authority area) where space is being offered at £30 sq m. On the same basis, this might equate to a capital value of around £280 sq m and around £1.4m per ha, less than the value of the land for housing but considerably higher then the value for new employment use.

Valuation Office Agency data (Property Report Quarter 1 2007) show that in rental terms Peterborough is significantly less expensive than Cambridge and comparable with Norwich although capital values are lower in Norwich which probably reflects its more peripheral location. Land values are reportedly £650k per ha in Peterborough compared with £750k per ha in Cambridge and £550k per ha in Norwich. This may underestimate prices for good quality stock in Cambridge where constraints on land availability have led to keen pricing.

4.4.5 Smaller Units

There is frequently a policy aspiration for developments of smaller units. A good example might be Peterborough Workspace where units are offered on a serviced basis at rents of between £130 sq m to £155 sq m depending on size. It is difficult to assess the value of this space without data on the cost of providing the services but it is unlikely that capital values would justify new development of this type of space without public sector support. The units at the Saracen Business Park in the Eastern Industrial Area are probably as small as the private sector might provide. In this case, the market attraction of the small units is probably enhanced by their availability on a freehold basis.

4.4.6 Future Market Context for Industrial and Warehousing

As for offices, in most places there is no fundamental shortage of development opportunities and the consequential mismatch of supply and demand that might drive up rents and land prices, but land values are prone to cyclical fluctuations. In quantitative terms the market consensus as witnessed by the trade press, agents reports and the reports of the major investment companies is that in the short / medium term investment yields will either remain at current levels or marginally soften. Nationally, the medium term picture in the industrial and distribution market is less benign than that for offices. There is no obvious reason why rents should increase at a significant rate but once again the pressure on building costs will affect all construction in the greater South East over the next five years or so and, additionally, industrial and distribution sites are most likely to be affected by the cost of meeting higher environmental and site remediation costs. As a result land values have the potential to fall in constant terms, although Peterborough might be insulated to some degree by the low current rental levels and demand for distribution space.

In the industrial and distribution sector, the emphasis is likely to remain on warehousing and a continuing demand for larger units can be expected. The redevelopment of existing sites might well exacerbate the shortage of smaller units.

4.4.7 Conclusions on Industrial and Warehousing

Two key conclusions from the data above are that:

- The balance between take up and availability is reasonably well balanced and does not point to a major overhang of good quality stock

- The recent increase in rents must have eroded competitiveness even though Peterborough remains a good value location.

As for offices, new industrial and distribution development on the edge of Peterborough is viable at the prevailing level of rents on land that is currently unused or which is developed at very low plot ratios. The exceptional costs for remediation and access should normally be affordable. It is probably reasonable to assume a continuation of the recent level of demand for industrial and distribution space, and a good proportion of this could be met by new development in the short and medium term.

4.5 Type and Location of Land Requirements

There is a clear trend in industrial demand, evidenced in the floorspace statistics, **to large distribution units.** The vast majority of the B8 requirements will be in the form of these large distribution facilities of the type that have been developed recently, and are proposed for well located large commitments such as Gateway Peterborough and Pro-Logis' Kingston Park. **Location requirements will be largely for locations with excellent road access, especially located on the Parkway system and locations with good access to the national trunk network via the A1.**

As occurs everywhere, there will be strong demand for a range of small and medium sized units distributed in a variety of locations within Peterborough and in the other settlements within the local authority area to serve the needs of smaller businesses, especially those serving the light industrial and wholesale operations meeting local needs**. The redevelopment of existing sites might well exacerbate the shortage of smaller units.**
The B2 requirement is shown to decline, reflecting projected decline in jobs, but in practice, land may not be released, where employers reduce workforces without necessarily reducing output or space. The floorspace statistics show some increase in factory floorspace despite decline in jobs. **Even with decline, there may be demand for new premises reflecting particular new operations and upgrading and relocation needs. Such requirements may be highly specific, including individual large units, but the bulk of demand is more likely to be in small and medium sized units on industrial estates in similar locations as warehousing.**

The key issue for B1 offices and R&D space is the extent that the requirement is for city centre locations or peripheral business parks. There is an apparent general trend in the market away from business park locations, evidenced by preferences of developers who are responsive to market occupier requirements, towards city centre locations, because of the access to a range of services in the latter. This bias is likely to strengthen because of the pressure for sustainable travel to work. This is reflected in the assumptions about plot ratios in the projection of land requirements, that 75% of demand would be in central urban locations at higher density and 25% in business park locations at lower density. These are judgements about long-term demand preferences which might change over time. **It will be important to provide a range of locations and flexibility to respond to the changing market.** Many of the incoming office occupiers in the preferred scenario are likely to be in businesses serving regional, national and even international markets, requiring a high degree of external access, with good transport access (i.e. either in the city centre or linked to the trunk road system).

Given the scale of growth envisaged, which would have to come from substantial inward investments by new B1 occupiers on top of organic growth by occupiers already in the area, a large proportion of new floorspace will be required in relatively large units of up to about 5,000 sq m. **The evidence discussed in the review of property markets suggests a focus on units in the size range 1,000 sq m to 5,000 sq m.** Smaller units are less likely to attract better quality tenants and can take more effort, however there is likely to be demand for smaller freehold units. Larger units increase exposure to letting risks.

The type of growth from the B1 occupiers envisaged in the preferred scenario will largely be from business and financial services and other target activities such as publishing. They will require space suited to those activities. Some of this may be for back office type activities, including call/customer support centres, although the scenario seeks to encourage the more professional and managerial activities. **In design terms, developers need to ensure that floorplate sizes are appropriate and in areas like Peterborough, that buildings can be split for multiple occupation if required. This militates against tall and thin buildings or squat structures with deep floor plans.**

Occupiers are becoming increasingly conscious of the total cost of occupation. There is anecdotal evidence of a move to avoid elaborate mechanical and electrical systems, where these are not required in response to specific issues such as local air quality and noise.

Finally, there is a requirement for a wide range and variety of size and location including for small and start up enterprises.

CHAPTER 5: EMPLOYMENT SITES

This section examines the existing and potential supply of employment land in Peterborough, based on data from the Offices, Industry and Warehousing Annual Monitoring Reports and the potential sites for employment use which have been nominated to the Council for its consideration.

5.1 Past Rates of Employment Land Development

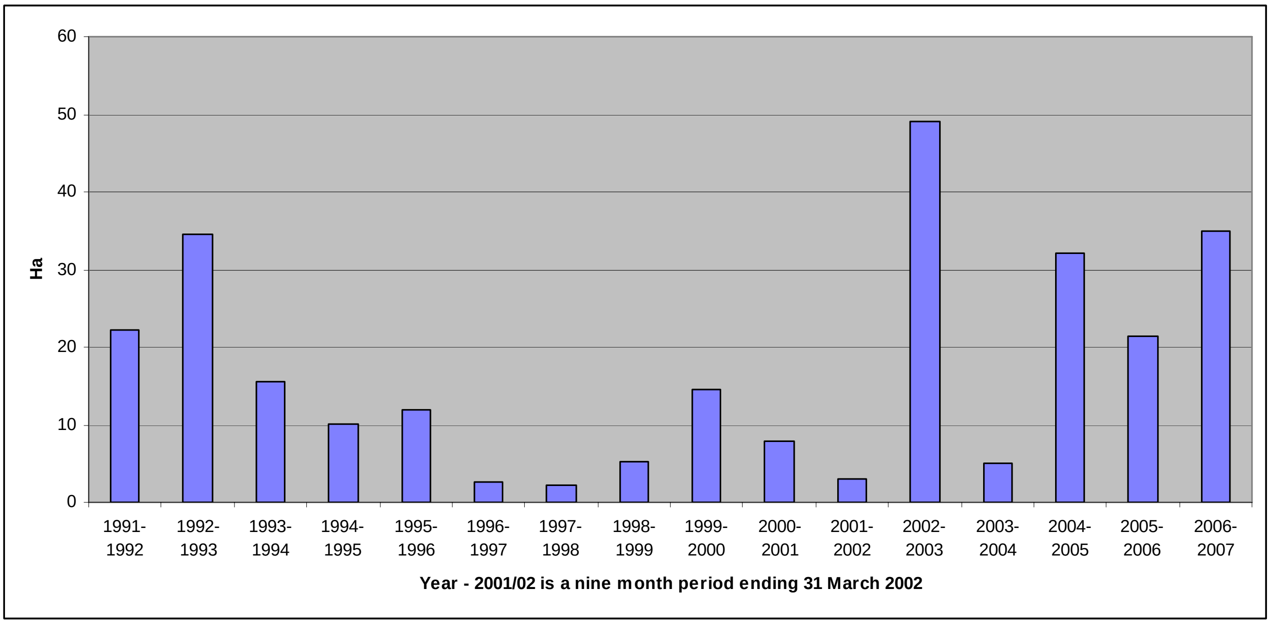
To provide a sound basis for comparison with the quantitative demand projections in the next chapter, we have projected the past take-up rates of employment land in Peterborough. The 2003 Cambridgeshire Structure Plan sets the annual employment land take-up rate for Peterborough at 16 hectares. This is mainly derived as a judgement based on past completion rates and the employment capacity of existing allocations at the time of preparation of the Structure Plan. Over the long-term (i.e. since 1986), employment land in Peterborough has been taken up at an average rate of 17.0 hectares per year. However, the recent annual take-up of employment land (i.e. since 1999) has been 21.8 hectares. This higher average take-up rate reflects the increase in large warehouse development in recent years, with the emphasis on take-up of large plots.

Below are alternative projections of potential future employment land requirements based on past trends covering different time periods:

- **Long-term trend:** Between mid 1986 and 31 March 2007, the annual average employment land gain was 17.0 hectares. Assuming this trend based annual land take up, Peterborough would require 238 hectares of employment land from 2007 to 2021.
- **Medium-term trend:** Between mid 1991 and 31 March 2007, the annual average employment land gain was 17.3 hectares. Assuming this trend based annual land take up, Peterborough would require 242.2 hectares of employment land from 2007 to 2021.
- **Short-term trend:** Between mid 1999 and 31 March 2007, the annual average employment land gain was 21.8 hectares. Assuming this trend based annual land take up, Peterborough would require 305.2 hectares of employment land from 2007 to 2021.

Figure 5.1 below shows employment land development in Peterborough since mid 1991.

Figure 5.1: Employment Land Development since mid 1991 excluding losses



Source: PCC OIW Annual Monitoring Reports

On the basis of past trend based annual land take-up rates, between 238 and 305.2 hectares of employment land would be required over the period 2007 to 2021. However, 23.3 hectares was under construction for employment development on 31 March 2007, and is therefore already committed. Therefore, the remaining requirement for employment land until 2021, on the basis of past trends, would be between 214.7 and 281.9 hectares.

5.2 Employment Land Supply at 31 March 2007

The availability of developable employment land in Peterborough is gradually declining; since 2001 take-up of land has been faster than expected. As noted above, there has been a significant growth in warehouse development in recent years which has used up a considerable amount of employment land. The Peterborough City Council Local Development Framework Annual Monitoring Report 2007 indicates that there was an 8.4 years' supply of employment land available at 31 March 2007, totalling 182.57 hectares. (This is based on a completion rate of 21.8 hectares per annum, the average rate achieved in the period mid 1999 to 31 March 2007.) Including the employment land available within the Opportunity Areas, there is a 9 years' land supply.

None of the alternative requirements to 2021, based on past trends, could be met from the existing supply of employment land available at 31 March 2007 (182.57 hectares). Therefore, there is a strong quantitative case for both safeguarding existing allocations and allocating additional new sites, if past trends are used as the basis for calculating future demand.

5.3 Peterborough Employment Allocations

The majority of the employment allocations in the Peterborough Local Plan (First Replacement) are in General Employments Areas (26 sites); six sites are allocated in Business Parks and two sites are in the villages of Thorney and Eye. The Hampton Township Development Area allocation makes provision for future development at Hampton without indicating the precise location(s), as this is not yet known, other than being contained within the boundary of the original outline planning permission.

At 31 March 2007, six of these allocated sites had been developed in their entirety (OIW2.03, OIW2.04, OIW2.06, OIW2.14, OIW2.18 and OIW2.22) and one site (OIW2.23) was on the brink of completion. The tables that follow set out the position on the remaining allocated sites (except that OIW2.23 is included in Table 5.1 only).

Table 5.1 shows employment allocations which have either full or outline planning permissions. The table shows that the majority of available permitted land is at Hampton which has a sole owner. It is, however, not known when all the land will be released for employment development.

Table 5.1: Employment Allocations with Permission

Site Name	Area with outline permission (hectares)	Area with full permission Not started (hectares)	Area under constr'n	Status	Notes
General Employment Areas					
Hampton Township Development Area (HTDA) Exclusive of OIW 2.15 and OIW2.16	23.77	1.23	0	Not started	Much this allocation is likely to be covered by the Hampton Leys outline permissions – awaiting decision

OIW2.07 Murdens, Fengate	1.83	0		Not started	
OIW2.08 Newark Road, Eastern Industry	0	0.7	0	Not started	The whole site has full permission for a car showroom. A planning application for six industrial units was withdrawn.
OIW2.11 Perkins (West), Eastern Industry	0	3	0	Not started	The site is currently in use as part of the Perkins Complex and there is a planning application for outdoor storage
OIW2.12 Third Drove (North), Eastern Industry	0	7.9	0	Not started	The site has permission to build a factory and offices with outdoor storage
OIW2.15 Cygnet Park, Hampton	11.66	1.53	10.01	Part-developed/part under constrcn/part not started	2.34 hectares have been developed. There is a valid permission for employment use including a proposal to build 13 industrial units and a four storey building. 2.05 hectares is under construction.
OIW2.16 Hampton (East)	5.14	0	5.23	Part-developed/part under constrcn/part not started	24.7 hectares have been developed; currently there is a warehouse under construction.
OIW2.17 Bakewell Road (North-West)(Part)	0	1.88	1.24	Part-developed/part under constrcn	0.59 hectares have been developed. A scheme with 5.34 hectares is under construction.
OIW2.19 Oxney (East), Eastern Industry	2.1	0	0	Not started	The whole site has an outline permission for industrial and warehouse development.
OIW2.23 Papyrus Road (North), Werrington	0	0	0.89		Final Plot under construction for small office units
OIW2.24 Saville Road, Westwood	0	0.62	0	Not started	The following planning applications were granted permission on this site: - erection of three individual storage unit blocks at Armadillo Self Storage - erection of B1 unit with associated car parking
Sub totals	(44.5)	(16.86)	(17.37)		
Business Parks					
OIW4.04 Lynch Wood 3 (Part)	0	1.14	0	Part-developed/part under constrcn	4.06 hectares have been developed. There is an outline permission for an Innovation Centre.
OIW4.05 Thomas Cook, Thorpe Wood	0	1.1	0	Not started	Planning permission for extension of ground floor to provide additional office space and reception has not yet started. A planning application for a car park was granted permission but is awaiting legal agreement.
OIW4.06 Thorpe Wood	0	2.7	0	Not started	The whole site has permission to build offices. A planning application for a racquet and fitness club was refused
Sub totals	(0)	(4.94)	(0)		
TOTALS	**44.5**	**21.8**	**17.37**		

Note: where the same area of land has both outline and full permission, this is only recorded in the full permission column

Table 5.2 below shows all the non-committed employment allocations (i.e. sites without any permission for employment development). Sites range from 1 hectare to 7 hectares.

Table 5.2: Employment Allocations without Permission

Site Name	Site area (hectares)	Notes
General Employment Areas		
OIW2.01 Stirling Way (North) Bretton	6.7	Although there is no planning permission, the site benefits from a New Towns Act sect. 7/1 authorisation
OIW2.02 Stirling Way (Extension)	5.3	Site is available but landlocked
OIW2.05 First Drove, Fengate, Eastern Industry	2.2	No valid permission on the site but part of it is being used as an open storage area
OIW2.09 Perkins (North)	5.1	The site is used as part of the Perkins complex as outdoor sports area
OIW2.10 Perkins (South)	2.4	Site is available
OIW2.13 Third Drove (South), Eastern Industry	2.6	Part of the site (2 hectares) is under construction and the remainder of the site is available
OIW2.20 Oxney (North)	7.88	The larger part of the site (12.88 hectares) has been developed by Tesco for a distribution centre. The remainder is available.
OIW2.21 Oxney (South)(Part)	2.8	Part of the site (3.28 hectares) has been lost to a church development. The remainder is available.
OIW2.25 Shrewsbury Avenue, Woodston	1	No development activity in terms of works on site within the last 5 years. There is no valid permission on the site
Sub total	(35.98)	
Business Parks		
OIW4.01 Oak Tree Site	1.3	A planning application for a mixed use scheme was refused.
OIW4.02 Lynch Wood 1	1	No development activity within the last 5 years. Planning permission (98/00632) for an office scheme has lapsed
OIW4.03 Lynch Wood 2	1.3	No development activity in terms of works on site within the last 5 years
Sub total	(3.6)	
Rural Employment Sites		
OIW9.01 Northam Works, Eye Green	2.2	No development activity in terms of works on site within the last 5 years and there is no valid permission on the site.
OIW9.02 Station Road Thorney	1	No development activity in terms of works on site within the last 5 years
Sub total	(3.2)	
TOTAL	**42.78**	

Source: PCC OIW Monitoring Report 2007 (not published)

5.4 Opportunity Areas

The Peterborough Local Plan (First Replacement) 2005 identifies five Opportunity Areas with a total area of 74.84 hectares. These sites are designated for mixed use development, which includes scope for some B1a-B8 development. However, none of the areas (other than the London Road Opportunity Area) have progressed to the stage of a planning permission, so it is not known at this stage precisely how much employment land will come forward from these sites. Estimates have been made for the area that might reasonably be developed for employment uses. These enable us to work out the supply and market balance in Chapter 7. It is stressed that for many sites these are estimates, and the scope for employment development could be greater or less.

Table 5.3 shows the details for Opportunity Areas in Peterborough.

Table 5.3: Opportunity Areas

Opportunity Area	Site Area (hectares)	Area likely to be available for employment development (hectares)	Notes
Hospital Opportunity Area, Thorpe Road	10.98	2	Peterborough District Hospital is fully operational and its planned relocation must be completed before re-development of the site can proceed.
London Road Opportunity Area	28.83	7.7	One small site area has been completed for offices (0.17ha). Outline planning permission has recently been granted for a mixed use scheme including 675 dwellings and 7.7 ha of employment.
North Westgate Opportunity Area	3.44	0.5	Suitable for comprehensive development. A planning application for a substantial retail-led mixed use scheme was submitted in 2007.
Railway Station Opportunity Area	13.72	1	No major applications are outstanding. A brief for the area has been approved.
South Bank Opportunity Area	17.87	2	No major applications are outstanding.
Total	**74.84**	**13.2**	

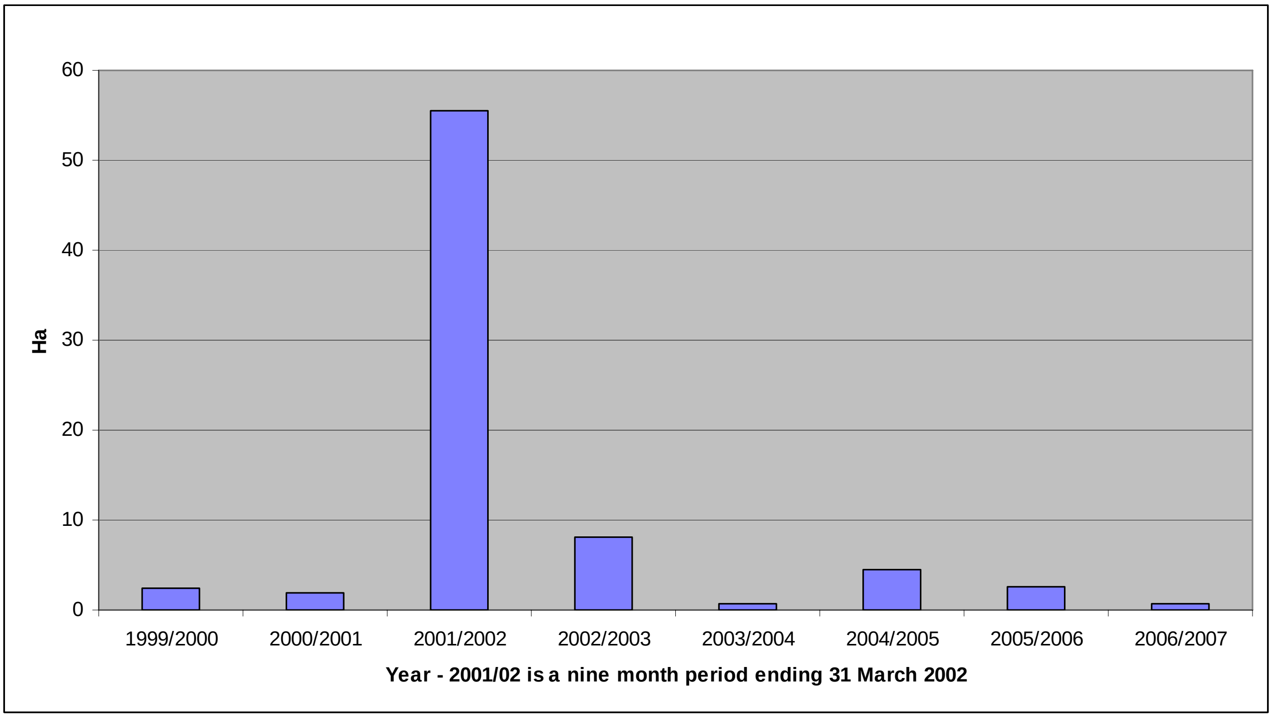
Source: PCC OIW Monitoring Report 2007 (not published)

5.5 Loss of Employment Land

The loss of employment land to other (non-B) uses was 95.5 hectares between 1991 and 2007.This is equivalent to an annual employment land loss of approximately 6 hectares. The figures are heavily influenced by the substantial losses in 2002 and 2003 of the former British Sugar and APV Baker sites to housing and a prison respectively. Figure 5.2 shows employment losses since mid 1999. Whilst it is useful to note the level of losses, the rate of employment land loss over time is arguably of greater interest to those planning for other land uses. Unless it is considered both feasible and desirable to prevent the loss of employment land to other uses, it would not be correct to make the simplistic assumption that the 'losses' can be deducted from the gross land requirement. It is, as the name states a 'loss' of employment land to other land uses.

The gain in employment land of approximately 17 – 21.8 hectares per annum recorded since 1986 takes no account of the losses. It reflects the amount of land developed that adds to the stock of land in employment use. The figure is in addition to any employment land 'churn', i.e. the recycling of employment land for continued employment uses, such as an expansion of floorspace on existing employment land or a change of use within the B1-B8 land use categories.

Figure 5.2: Annual Employment Land Loss since mid 1999



Source: PCC OIW Annual Monitoring Reports

5.6 Potential development sites

Potential development sites include all the existing, but not yet developed, employment allocations and sites that are being proposed or considered for B-class development. In June 2007, the Council wrote to all the developers and agents in Peterborough, asking them to put forward sites that they considered would be suitable for employment, residential, gypsy and retail development. No size threshold was applied at this stage. A total of 47 sites were submitted but only three sites were put forward solely for employment development; seven sites were suggested for mixed-use development, one site for retail and the rest were for residential.

In addition to that, developers and agents were invited to two drop-in sessions to register potential sites for all types of development. This exercise resulted in six more sites being submitted for employment and mixed-use development. Not all sites that were put forward for mixed use have been included for assessment in this report; to avoid double counting we have excluded those which fall within a larger site which was also put forward, and one site which is already allocated in the Peterborough Local Plan. In summary:

- Perkins Surplus North is excluded as it is an existing employment allocation (OIW2.09)
- The top part of Oxney Road site is excluded because it falls within the larger suggested Red Brick Farm site
- Land South of Eye is excluded because it forms part of the suggested Eye 3 site
- Plot 8722 Edgerley Drain Road is excluded because it falls within the larger suggested Red Brick Farm site
- Land South of Peterborough and Spendelows site are excluded because they fall within the larger suggested Southern Expansion site

Although the Alwalton Hill site (nominated to the Council during this process) falls within the larger Southern Expansion site, it has been included in this report in its own right because it already has outline permission for B8 use.

Also excluded from any further consideration are those sites which were suggested but which lie outside the Peterborough local authority boundary.

Table 5.4 shows the resulting new potential sites that have been put forward so far. The list also includes sites in the pipeline (e.g. Alwalton Hill, Stanground South) and some of the sites that were submitted as part of the urban extensions work. Inclusion of these sites should not be interpreted as meaning that they have any kind of approval or agreement from Peterborough City Council other than the Alwalton Hill and Stanground South sites which have subsequently (post March 2006) been given outline permission. Entries in the Notes column do not necessarily represent the comments of the City Council; many are taken from the submissions of those who nominated the site.

Table 5.4: New potential sites for development

Site No	Site Name	Area (ha)	Estimated employment site area (ha)	Proposed use	Notes
1	Perkins Surplus South	2.825	2.825	Employment	Site is within the Eastern Industry.
2	North Werrington 3	67.151	6.7	Mixed use	Part of the larger North Werrington proposed urban extension.
3	Eye 1	4.295	0.5	Mixed Use	Site is outside the village boundary.
4	Eye 2	3.64	0.5	Mixed use	Site is outside the village boundary.
5	Wittering	4.687	0.5	Mixed Use	Site is outside the village boundary.
6	Dogsthorpe Lozenge	7.54	1	Mixed Use	Site is near a waste management site.
7	Red Brick Farm	52.116	28	Employment	Site is proposed for both B1 & B2 uses. Could be suitable for environmental green cluster. Development would cater for the needs of a wide range of businesses; from medium – sized firms to larger companies. Estimated employment area reduced to 28 ha, because remainder of the site is in Flood Zone 3A.
8	Norwood, Newborough	90.882	17	Mixed Use	The site will be mainly developed for residential. Assuming 25% of the site will be developed for employment use, 17 hectares of land will come forward
9	Land at Dogsthorpe (Paston Parkway/Peterborough Rd)	4.26	4.26	Employment	This site is one of a number of sites within this area (along with the above site) which are available for development for employment uses (perhaps related to the established waste-related uses in this area, or as a more general employment location related to the strategic road network).
10	Land at Dogsthorpe (Paston Parkway/Welland Rd)	1.47	1.47	Employment	This site is one of a number of sites within this area (along with the above site) which are available for development for employment uses (perhaps related to the established waste-related uses in this area, or as a more general employment location related to the strategic road network).
11	Oxney Road	1.9	1.9	Employment (live work units) or Housing	Site could be used for employment purposes, live/work development or possibly housing. Site is outside the urban boundary.
12	Land at Castor and Ailsworth (Greengate)	352	25	Mixed Use	Approximately 18 hectares is available now. Opportunity for phasing

13	Eye 3	20	2	Mixed use (Residential, Employment & Leisure)	Site is outside the village boundary.
14	North Werrington 4	48.596	4.8	Mixed use urban extension	Part of the larger North Werrington proposed urban extension.
15	Land to the south east of Thorney by-pass	20.635	2	Mixed Use	Site is outside the village boundary.
16	Land Adjacent to Cobblers Fen, Thorney	11.119	2	Mixed use	Site is outside the village envelope of Thorney.
17	Alwalton Hill	39.9	39.9	Employment	Site has outline permission for warehousing.
18	Stanground South	70.3	5.5	Mixed Use	Planning permission has been granted for 5.5 hectares for B1 use, as part of a larger scheme.
19	Land at Eyebury Road	24.25	2.4	Mixed use	Site is outside the village envelope.
20	Land at Horsey Grange	29.15	11.7	Mixed use	Assumes 40% will be developed as employment.
21	Southern Expansion Land	407.1	40.7	Mixed use	447 hectares are within the Peterborough administrative area (including strategic employment land at Alwalton Hill). The Alwalton Hill site needs to be deducted to avoid double-counting. 447-39.9=407.1 hectares. Assumes 10% will be developed as employment.
22	Land at Market Deeping Bridge	29.6	3	Mixed use	
	Total		**203.65**		

Table 5.4 shows that only 6 potential sites have been put forward purely for employment development, with the potential to deliver 102.471 hectares. The remainder of the potential sites are nominated for mixed use development which includes employment. However, at this stage there is considerable flexibility as to the amount of land in these mixed use sites that would be available for employment development in the event that they were regarded as suitable sites. Therefore, an estimate has been made on the assumption that the greater part of each of the mixed use sites would be developed for residential. Depending on the size of the site and location, between 5% and 40% of each of the potential mixed use sites has been apportioned an element of B use. This is based on the amount of employment land that has previously come forward from other mixed use sites in Peterborough. For example, Stanground South is a mixed use site which has outline permission to develop 7.8% of the gross area for employment use. Also, London Road Opportunity Area has outline permission to develop 26.7% of the site for employment use. The scope of these sites to deliver employment within the B use classes is discussed further in Chapter 7 of this Review.

Potential sites for development in future years also include existing employment allocations without permission and those with outline and full permission, and the opportunity areas.

A separate Annex to this Employment Land Review contains site maps of each of the potential new sites that have been nominated for the Council's consideration. The area potentially available for employment development is given in hectares. Where a large urban extension area or site has been nominated for a mixed-use development (without a specific site for employment uses within that area), the whole of the site is shown on the map, but the site area indicated on the map is for the employment element only (i.e. not for the entire site or urban extension area).

5.7 The Potential Future Supply of Employment Land in Peterborough

Table 5.5 below summarises the potential future employment land supply in Peterborough, incorporating sites allocated in the Peterborough Local Plan (First Replacement) but not yet developed, Opportunity Areas and potential sites that have been put forward by developers and agents. Again, it is stressed that inclusion of the potential sites should not be interpreted as meaning that they have any kind of approval or agreement from Peterborough City Council at this stage. Furthermore, decisions about the allocation of sites for employment development must be taken through the preparation of an appropriate Development Plan Document (the Peterborough Site Allocations DPD) in light of the spatial strategy contained in the Peterborough Core Strategy DPD; and that process could enable additional sites to come forward. This Review examines the current known potential sites, without seeking to pre-judge the outcome of subsequent plan preparation.

The majority of the existing allocated sites provide for B1, B2 and B8 development, without specifying a preferred type of use. Similarly, some of the potential sites do not specify the type of B use which the developer/agent proposes. In order to assess supply meaningfully, it is necessary to make an assumption about the type of B use for which each site could be suitable. This Review therefore assigns each site to one or more of the different B uses. These decisions take into account the analysis of land and property markets in Chapter 4 and land requirements for Peterborough's preferred economic development scenario, the details of which are set out in Chapter 6.

Allocation of each site to different use classes is also based on the following criteria:

- access to public transport, including the PPTC (primary public transport corridor) – a site which is close to a good public transport route would be more suited to an employment development with higher employees/workspace densities (i.e. B1 uses)
- nature of surrounding roads and their position in the road hierarchy – a site with good access to a trunk road and/or primary roads would be suited to development for B8 uses
- size of the site – the larger the site, the more suitable it is likely to be for B8 development
- predominant uses in the surrounding area – these give an indication of the types of employment development for which there is interest in the area
- use classes specified by the developer/agent

However, it has to be acknowledged that there is considerable scope for flexibility here, and a site identified as being potentially suitable for one use may equally be suitable for another. Indeed, this is acknowledged in the planning system which allows certain changes (for example, from class B2 to B1) as 'permitted development'. Therefore the assignment of each site into one or more B use classes should be taken as indicative only.

Table 5.5: Peterborough Potential Land Supply (by use class)

Site No	Site name	Area likely to be developed for employment (ha)	B1 (ha)	B2 (ha)	B8 (ha)
POTENTIAL NEW SITES					
1	Perkins Surplus South	2.825	2.825		
2	North Werrington 3	6.7	1	5.7	
3	Eye 1	0.5	0.5		
4	Eye 2	0.5	0.5		
5	Wittering	0.5	0.5		
6	Dogsthorpe Lozenge	1			1
7	Red Brick Farm	28	10		18
8	Norwood, Newborough	17	17		
9	Land at Dogsthorpe (Paston Parkway/Peterborough Rd	4.26	4.26		
10	Land at Dogsthorpe (Paston Parkway/Welland Rd)	1.47		1.47	

11	Oxney Road	1.9	1.9		
12	Land at Castor and Ailsworth (Greengate)	25	25		
13	Eye 3	2	2		
14	North Werrington 4	4.8	4.8		
15	Land to the south east of Thorney by-pass	2	2		
16	Land Adjacent to Cobblers Fen, Thorney	2		2	
17	Alwalton Hill	39.9			39.9
18	Stanground South	5.5	5.5		
19	Land at Eyebury Road	2.4	2.4		
20	Land at Horsey Grange	11.7	11.7		
21	Southern Expansion Land	40.7	10.7		30
22	Land at Market Deeping Bridge	3	2	1	
	SUB TOTAL	**203.65**	**104.58**	**10.17**	**88.9**
EXISTING EMPLOYMENT ALLOCATIONS					
	Hampton Township Development Area (HTDA) Exclusive of OIW2.15 & OIW2.16	25	14	4	7
OIW2.01	Stirling Way (North)	6.7			6.7
OIW2.02	Stirling Way (Extension)	5.3			5.3
OIW2.05	First Drove, Fengate	2.2	2.2		
OIW2.07	Murdens, Fengate	1.83			1.83
OIW2.08	Newark Road	0.7	0.7		
OIW2.09	Perkins (North)	5.1	5.1		
OIW2.10	Perkins (South)	2.4	2.4		
OIW2.11	Perkins (West)	3	3		
OIW2.12	Third Drove (North)	7.9		5.9	2
OIW2.13	Third Drove (South)	2.6			2.6
OIW2.15	Cygnet Park	13.19	9.19	4	
OIW2.16	Hampton (East)	5.14			5.14
OIW2.17	Bakewell Road (North-West)	1.88	1.88		
OIW2.19	Oxney (East)	2.1			2.1
OIW2.20	Oxney (North)	7.88			7.88
OIW2.21	Oxney (South)	2.8			2.8
OIW2.24	Saville Road	0.62			0.62
OIW2.25	Shrewsbury Avenue	1	1		
OIW4.01	Oak Tree	1.3	1.3		
OIW4.02	Lynch Wood 1 Peterborough Business Park	1	1		
OIW4.03	Lynch Wood 2 Peterborough Business Park	1.3	1.3		
OIW4.04	Lynch Wood 3 Peterborough Business Park	1.14	1.14		
OIW4.05	Thomas Cook	1.1	1.1		
OIW4.06	Thorpe Wood	2.7	2.7		
OIW9.01	Northam Works, Eye Green	2.2	2.2		
OIW9.02	Station Road, Thorney	1	1		
	SUB TOTAL	**109.08**	**51.21**	**13.9**	**43.97**
OPPORTUNITY AREAS					
	Hospital Opportunity Area, Thorpe Road	2	2		

	London Road Opportunity Area	7.7	4.7	3	
	North Westgate Opportunity Area	0.5	0.5		
	Railway Station Opportunity Area	1	1		
	South Bank Opportunity Area	2	2		
PERMISSIONS ON NON-ALLOCATED LAND & NON-OPPORTUNITY AREAS					
	Planning permissions on non-allocated land and non-opportunity areas	3.94	1.76	2.13	0.05
	GRAND TOTAL	**329.87**	**167.75**	**29.2**	**132.92**

Table 5.6 below now presents an overall summary of permissions (including permissions on non-allocated sites); allocations without permissions; schemes that are under construction; and potential new sites; all taken from the detailed information in Table 5.5.

Table 5.6: Summary of Peterborough's employment land supply at 31 March 2007

Allocation Type	Area with Outline Permission (hectares)	Area with Full Permission Not started (hectares)	Schemes under construction (hectares)	Area without Permission (hectares)	Notes
Existing Allocations					
Business Parks	0	4.94	0	3.6	The outline permission at Lynchwood Business Park is for an Innovation Centre
General Employment Areas (Inc Hampton Township Dev Area)	44.5	16.86	17.37	35.98	96% of the land with outline permission is at Hampton. The majority of the land with full permission is in Eastern Industry. Also, about 64% of land without permission is in the Eastern Industry and Oxney areas.
Rural Areas	0	0	0	3.2	There are only two rural employment sites, in Thorney and Eye Green.
Sub total	**44.5**	**21.8**	**17.37**	**42.78**	
Opportunity Areas					
Sub total	**0**	**0**	**0**	**13.2**	
Other Permissions (not on allocated sites or Opportunity Areas)					
Sub total	**0**	**3.13**	**0.81**	**0**	
New Potential Sites for development					
Sub total	**0**	**0**	**0**	**203.65**	
Totals	**44.5**	**24.93**	**18.18**	**259.63**	
Grand Total	**347.24**				

Source: PCC OIW Monitoring Report 2007 (not published)

Table 5.6 summarises a potential 347.24 hectares of employment land in Peterborough at 31 March 2007. The figure comprises all planning permissions (full and outline) involving a net gain in employment land; existing Peterborough Local Plan First Replacement employment allocations and Opportunity Areas without planning permission; and new potential sites for employment development.

The total of 347.24 hectares provides sufficient land to cover the projected range of 214.7 to 281.9 hectares calculated as being needed in paragraph 5.2 (based on past trends, and taking sites under construction into account). This suggests that, in purely quantitative terms, there is a sufficient potential supply of identified land from the sites listed in the above tables.

It should be made clear that the totals summarised in Table 5.6 do not tally precisely with those published in the LDF AMR 2007 and tables from the OIW Monitoring Report. Whilst the differences are not major, they can be explained. The reasons relate to some allocations (parts of) being under construction for non employment uses (i.e. an employment allocation or employment land loss) and others having permissions which would not lead to a net increase in the overall stock of employment land. The amount of land to which these issues apply is approximately 8ha. (2% of the total).

5.8 Site Appraisal of Existing Employment Allocations

As mentioned earlier on, the adopted Local Plan identifies sites where employment development would, in principle, be acceptable. As part of the employment land review, an assessment has been carried out for all employment allocations where development has not yet taken place. These were assessed in order to identify employment sites to be recommended for retention and those that could be recommended for release for other, non-B, uses. Sites were assessed against the criteria set out in the Government Guidance Note, and the assessment is presented in Tables 5.7 and 5.8 below.

Site Appraisal Criteria

Market Attractiveness Factors
Has the site been formally identified for employment for at least 10 years?
Has there been any recent development activity, within the last 5 years? This could include works on site but also new or revised planning applications/building regulations applications.
Is the site being actively marketed as an employment site?
Is the site owned by a developer or another agency known to undertake employment development?
Is the site in multiple ownership/occupation, or owned by an organisation unlikely to bring it forward for development?
Is there a valid permission for employment development, likely to meet market requirements? Or for an alternative use?
Would employment development on this site be viable, without public funding to resolve infrastructure or other on-site constraints?
Sustainable Development Factors
Would the site be allocated today for employment development, measured against present sustainability criteria (including public transport and freight access, environmental impacts and brownfield/greenfield considerations)?
Is employment the only acceptable form of built development on this site (e.g. because of on-site contamination, adjoining uses or sustainable development reasons)?
Strategic Planning Factors
Is the site within an area identified as of strategic importance to the delivery of the RSS/RES?
Is the site identified or likely to be required for a specific user or specialist use?
Is the site part of a comprehensive or long-term development or regeneration proposal, which depends on the site being developed for employment uses?
Is there public funding committed (or likely to be provided) sufficient to overcome infrastructure or on-site constraints to make employment development viable?
Are there any other policy considerations, such as emerging strategic objectives or spatial vision, which should override any decision to release the site?

Source: ODPM, Employment Land Reviews: Guidance Note, 2004

Table 5.7: Market Attractiveness Assessment

Market Attractiveness Factors							
Site	Has the site been formally identified for employment for at least 10 years?	Has there been any recent development activity, within the last 5 years? This could include works on site but also new or revised planning applications/building regulations applications.	Is the site being actively marketed as an employment site?	Is the site owned by a developer or another agency known to undertake employment development?	Is the site in multiple ownership/occupation, or owned by an organisation unlikely to bring it forward for development?	Is there a valid permission for employment development, likely to meet market requirements? Or for an alternative use?	Would employment development on this site be viable, without public funding to resolve infrastructure or other on-site constraints?
OIW2.01 Stirling Way (North)	Yes. The site was formally identified in the Peterborough Local Plan, adopted in 1996.	No, but there have been pre-application discussions	Yes	Yes. The owner is English Partnerships and the agent is Lambert Smith Hampton.	No. The site is in single ownership	The whole site is covered by a New Towns Act sect. 7/1 authorisation for B1/B2/B8 (equivalent of outline)	Yes. The site is within a General Employment Area where there are employment activities already taking place. However, there are floodrisk constraints to be overcome.
OIW2.02 Stirling Way (Extension)	No. The site was formally identified in the Peterborough Local Plan (First Replacement), adopted in 2005.	No	No	Yes. Site is owned by Milton (Peterborough) Estates Company	No	No valid permission. Site is available but is landlocked	Yes. The site is within a General Employment Area where there are employment activities already taking place. However, access would need to be secured via site OIW2.01.
OIW2.05 First Drove, Fengate	Yes. The site was formally identified in the Peterborough Local Plan, adopted in 1996.	No	Yes	Yes. The agent is Dickens Watts and Dade	No	No, but the site is available	Yes. The site is within a General Employment Area where there are employment activities already taking place.
OIW2.08 Newark Road	Yes. The site was formally identified in the Peterborough Local Plan, adopted in 1996.	Yes. Full permission exists for a car showroom and workshop for the whole site but has not yet started. An application for six industrial units was withdrawn in June 2005.	Yes	Yes, site is owned by R & H Property Developments.	No	Yes	Yes. The site is within a General Employment Area where there are employment activities already taking place.

		The developer is likely to submit an application for B2 (small industrial units)					
OIW2.09 Perkins (North)	Yes. The site was formally identified in the Peterborough Local Plan, adopted in 1996.	Site in use as part of Perkins complex, as outdoor sports area.	No	No	No	No	Yes. The site is within a General Employment Area where there are employment activities going on.
OIW2.10 Perkins (South)	Yes. The site was formally identified in the Peterborough Local Plan, adopted in 1996.	Yes. A scheme for a B8 unit was completed on part of the original 1996 allocation in December 1999. Site OIW2.10 represents the remainder of the original allocation.	No	No	No	Site is available	Yes. The site is within a General Employment Area where there are employment activities already taking place.
OIW2.11 Perkins (West)	Yes. The site was formally identified in the Peterborough Local Plan, adopted in 1996.	Yes. The site is currently in use as part of Perkins complex. The whole site is covered by permission for B8 outdoor storage. Also permission for B1/B2/B8 including roads was granted in April 2002.	No	No	No	Yes	Yes. The site is within a General Employment Area where there are employment activities already taking place.
OIW2.12 Third Drove (North)	Yes. The site was formally identified in the Peterborough Local Plan, adopted in 1996.	Yes. The site has permission for erection of factory and offices with outside storage , parking, crane and access roads; this has not yet started	Yes	Yes. Agents for the site are Savills and Barker Storey Matthews.	No	Yes	Yes. The site is within a General Employment Area where there are employment activities already taking place.
OIW2.13 Third Drove (South)	Yes. The site was formally identified in the Peterborough Local Plan, adopted in 1996.	Yes. Part of site is under construction for B1/B2/B8 and the remainder of site is available. A builders' merchants was completed recently.	Yes	Yes. The site is owned by English Partnerships and the agent is Lambert Smith Hampton.	No	Yes	Yes. The site is within a General Employment Area where there are employment activities already taking place.
OIW2.15 Cygnet Park	Yes. The site was formally identified in the Peterborough Local Plan, adopted in 1996.	Yes. Four office developments and a car showroom were completed in the last five years. Three schemes are under construction. One scheme has permission	Yes	Yes. The site is owned by O & H Hampton.	No	Yes	Yes. The site is within a General Employment Area where there are employment activities already taking place.

		but has not yet started. - Remainder of allocation is covered by original Hampton application (91/00556).					
OIW2.16 Hampton (East)	Yes. The site was formally identified in the Peterborough Local Plan, adopted in 1996.	Yes. Part of the site has been developed by Prologis. A scheme comprising B8 development has recently been completed.	Yes	Yes. The site is owned by O & H Hampton	No	Yes	Yes. The site is within a General Employment Area where there are employment activities already taking place.
Hampton Township Development Area (HTDA) Exclusive of OIW2.15 & OIW2.16	Yes. The site was formally identified in the Peterborough Local Plan, adopted in 1996.	Yes. Just over hectare has full permission for business meeting rooms.	Yes	Yes. The site is owned by O & H Hampton	No	Yes	Yes. The site is within a General Employment Area where there are employment activities already taking place.
OIW2.17 Bakewell Road (North-West)	Yes/No. Part of the site was formally identified in the Peterborough Local Plan, adopted in 1996, and part was formally identified in the Peterborough Local Plan (First Replacement), adopted in 2005.	Yes. The southern quarter of the allocation is covered by outline permission for B1a use. The north western segment has approval for B8 use with office. The northern segment is under construction (warehouse & offices). North eastern segment covered by Evans Easy Space scheme (under construction) providing range of small office and workshop units.	Yes	Yes. The site is owned by English Partnerships and the agent is Lambert Smith Hampton	No	Yes	Yes. The site is within a General Employment Area where there are employment activities already taking place.
OIW2.19 Oxney (East)	Yes. The site was formally identified in the Peterborough Local Plan, adopted in 1996.	Yes. Outline permission for industrial/warehousing development (05/00971/Out) covers the whole site.	Yes	Yes. The agent for the site is Savills.	No	Yes	Yes. The site is within a General Employment Area where there are employment activities already taking place.
OIW2.20 Oxney (North)	Yes/No. Part of the site was formally identified in the Peterborough Local Plan, adopted in	Yes. Tesco distribution centre was recently completed. 7.88ha remains without permission.	Yes	Yes. The agent for the site is Savills.	No	No	Yes. The site is within a General Employment Area where there are employment activities already taking place.

	1996, and part was formally identified in the Peterborough Local Plan (First Replacement), adopted in 2005.						
OIW2.21 Oxney (South)	Yes. The site was formally identified in the Peterborough Local Plan, adopted in 1996.	Yes, part of the site was lost to a D2 use (Peterborough Community Church).	Not known	Yes. The site is owned by English Partnerships	No	No	Yes. The site is within a General Employment Area where there are employment activities already taking place.
OIW2.24 Saville Road	Yes/No. Part of the site was formally identified in the Peterborough Local Plan, adopted in 1996, and part was formally identified in the Peterborough Local Plan (First Replacement), adopted in 2005.	Yes. Part of the original 1996 allocation was developed as Armadillo warehouse. Remainder of the site has permission for a car showroom which is not likely to be implemented.	Yes	Not known	No	Yes	Yes. The site is within a General Employment Area where there are employment activities already taking place.
OIW2.25 Shrewsbury Avenue	No. The site was formally identified in the Peterborough Local Plan (First Replacement), adopted in 2005.	Yes. A planning application was submitted in 2006 for a warehouse with offices, but this was later withdrawn.	Not known	Not known	Not known	Site is available	Yes. The site is within a General Employment Area where there are employment activities already taking place.
OIW4.01 Oak Tree	Yes. The site was formally identified in the Peterborough Local Plan, adopted in 1996.	No. A planning application for a retail-led mixed use scheme was recently refused.	The site has been identified in the draft Bretton Parish Plan as a suitable site for residential development.	Yes. The agent for the site is Savills	No	No	Yes, the site is near other employment uses within the business park, housing and a district centre.
OIW4.02 Lynch Wood 1	Yes. The site was formally identified in the Peterborough	No. Planning permission for fourth and final phase of office scheme lapsed.	Yes	Yes. The agent for the site is Savills	No	No valid permission for employment development.	Yes, the site is within a business park where there are employment

Peterborough Business Park	Local Plan, adopted in 1996.						activities already taking place.
OIW4.03 Lynch Wood 2 Peterborough Business Park	Yes. The site was formally identified in the Peterborough Local Plan, adopted in 1996.	No recent development activity within the last 5 years. Site is available.	No	Yes	No	No valid permission	Yes, the site is within a business park where there are employment activities already taking place.
OIW4.04 Lynch Wood 3 Peterborough Business Park	Yes. The site was formally identified in the Peterborough Local Plan, adopted in 1996.	Yes. The whole site is covered by outline permission. Three schemes have been completed, one of them is a children's nursery. Two schemes remain under construction. The site also has permission for 90 business units (Peterborough Innovation Centre).	Yes	Yes	No	Yes	Yes, the site is within a business park where there are employment activities already taking place.
OIW4.05 Thomas Cook	Yes. The site was formally identified in the Peterborough Local Plan, adopted in 1996.	Permission for extension of ground floor to provide additional office space and reception has not started Conversion of existing bedroom accommodation at leisure centre to office space was completed in March 2004 Application for a car park was withdrawn.	No	Yes	No	No	Yes, the site is within a business park where there are employment activities already taking place.
OIW4.06 Thorpe Wood	No. The site was formally identified in the Peterborough Local Plan (First Replacement), adopted in 2005.	Yes. A planning application for erection of racquet and fitness club was refused. A planning application to extend neighbouring office building was granted	Yes	Yes. The agent for the site is Savills	No	No	Yes, the site is within a business park where there are employment activities already taking place.

		permission and has not yet started.					
OIW9.01 Northam Works, Eye Green	Yes. The site was formally identified in the Peterborough Local Plan, adopted in 1996.	No recent development activities.	No	Yes. The site is owned by O & H Properties.	No	No	Not known. There may be contamination and/or ground condition constraints.
OIW9.02 Station Road, Thorney	Yes. The site was formally identified in the Peterborough Local Plan, adopted in 1996.	No recent development activity has taken place within the last 5 years.	No	Not known	Not known	No	Yes
OPPORTUNITY AREAS							
Hospital Opportunity Area	Yes. The site was formally identified as an opportunity area in the Peterborough Local Plan, adopted in 1996.	No, other than hospital-related development	Yes. Site is marketed for mixed-use development which includes employment use.	Yes	No. The site is in single ownership.	No	Yes
London Road Opportunity Area	Yes. The site was formally identified as an opportunity area in the Peterborough Local Plan, adopted in 1996.	Yes. An outline planning permission for mixed-use development was granted which includes housing and 7.7 hectares of employment land.	Yes. Site is marketed for mixed-use development which includes employment use.	Yes	No. The site is in single ownership.	Yes	Yes
North Westgate Opportunity Area	No. The site was first identified as an area for major retail expansion in the Peterborough Local Plan, adopted in 1996. It was then identified as an opportunity area in the Peterborough Local Plan (First Replacement),	Yes. A planning application for a major retail-led, mixed-use scheme has been submitted.	Yes. Site is marketed for mixed-use development which includes employment use.	Yes	The site is in multiple ownership, but the developers are actively assembling sites, in partnership with the Council.	No	Yes

	adopted in 2005.						
Railway Station Opportunity Area	Yes. The site was formally identified as an opportunity area in the Peterborough Local Plan, adopted in 1996.	No, but a planning brief for the site has been approved	Yes. Site is marketed for mixed-use development which includes employment use.	Yes	Yes. The site is in multiple ownership, however, the developers are progressing the proposals for the Railway Opportunity Area.	No	Yes
South Bank Opportunity Area	Yes. The site was formally identified as an opportunity area in the Peterborough Local Plan, adopted in 1996.	Yes. Part of the site is a 'carbon challenge' site and a brief is in preparation for the wider area.	Yes. Site is marketed for mixed-use development which includes employment use.	Yes	Yes. The site is in multiple ownership, however, the developers are progressing the proposals for the South Bank Opportunity Area.	No	Yes

Table 5.8: Sustainable Development and Strategic Planning Assessment

Site	Sustainable Development Factors		Strategic Planning Factors			
	Would the site be allocated today for employment development, measured against present sustainability criteria (including public transport and freight access, environmental impacts and brownfield/greenfield considerations)?	Is employment the only acceptable form of built development on this site (e.g. because of on-site contamination, adjoining uses or sustainable development reasons)?	Is the site within an area identified as of strategic importance to the delivery of the RSS/RES?	Is the site identified or likely to be required for a specific user or specialist use?	Is the site part of a comprehensive or long-term development or regeneration proposal, which depends on the site being developed for employment uses?	Are there any other policy considerations, such as emerging strategic objectives or spatial vision, which should override any decision to release the site?
OIW2.01 Stirling Way (North)	**Yes, the site is**; i) 400m from Werrington Parkway ii) 800m from housing iii) 700m from Canterbury Road Local Centre iv) 1km from Loxley Local Centre	**Yes**, the site is adjacent to existing employment development on two sides and medium voltage power lines and a main railway line on the third side.	Yes. Peterborough is identified as a Key Centre for Development and Change (policy SS3) and a Regionally Strategic Employment Location (policy E3) in the emerging RSS.	No	No	Yes – in particular, the need to provide for at least 20,000 additional jobs by 2021.
OIW2.02 Stirling Way (Extension)	**Yes, the site is** i) 500m from PPTC (Werrington Parkway) ii) 1500m from housing, Bretton North iii) 800m from Canterbury Road local centre iv) 1km from Loxley local centre v) Close to Thomas Cook Restaurant and HSBC cash point vi) 350m from the cycle route vii) Greenfield site	No. The site could be retained in productive agricultural use.	Yes. Peterborough is identified as a Key Centre for Development and Change (policy SS3) and a Regionally Strategic Employment Location (policy E3) in the	No	No	Yes – in particular, the need to provide for at least 20,000 additional jobs by 2021.

			emerging RSS.			
OIW2.05 First Drove, Fengate	**Yes, the site is:** i) 600m from A1139 ii) 300m from housing allocation H3.04 iii) 800m from housing iv) Nearest cycle route is 800m away v) Greenfield site	Yes. The site is adjacent to existing employment development and a greyhound stadium, with access through an employment area.	Yes. Peterborough is identified as a Key Centre for Development and Change (policy SS3) and a Regionally Strategic Employment Location (policy E3) in the emerging RSS.	No	No	Yes – in particular, the need to provide for at least 20,000 additional jobs by 2021.
OIW2.08 Newark Road	**Yes, the site is:** i) 400m from cycleways ii) 400m from Padholme Surface Water Catchment area iii) 800m from the following iv) near the site for Renewable Energy Frank Perkins Parkway	Yes. The site is in the middle of an employment area, with existing employment uses and car sales showrooms nearby. The only potential alternative use could be for motor vehicle sales or similar.	Yes. Peterborough is identified as a Key Centre for Development and Change (policy SS3) and a Regionally Strategic Employment Location (policy E3) in the emerging RSS.	No	No	Yes – in particular, the need to provide for at least 20,000 additional jobs by 2021.
OIW2.09 Perkins (North)	**Yes, the site is:** i) within Padholme Surface Water Catchment Area ii) adjacent to Newark Road iii) 700m from A1139 iv) 400m from housing v) 200m from a housing allocation vi) 800m from Hill Close local centre vii) 100m from Superstore viii) 700m from Saltersgate local centre ix) Close to cycle route network x) Greenfield site	Yes. The site falls within a general employment area and is surrounded by employment activities. The only potential alternative use could be its retention as playing fields for sports and leisure use.	Yes. Peterborough is identified as a Key Centre for Development and Change (policy SS3) and a Regionally Strategic Employment Location (policy E3) in the emerging RSS.	No	No	Yes – in particular, the need to provide for at least 20,000 additional jobs by 2021.
OIW2.10	**Yes, the site is:**	Yes. The site falls	Yes.	No	No	Yes – in particular, the

Perkins (South)	i) adjacent to Newark Road ii) 900m from A1139 iii) 400m from housing iv) near housing allocations H3.03 & H3.02 v) 1km from Hill Local Centre vi) 800m from Superstore vii) 830m from the nearest cycleway viii) Greenfield site	within a general employment area and is surrounded by employment activities.	Peterborough is identified as a Key Centre for Development and Change (policy SS3) and a Regionally Strategic Employment Location (policy E3) in the emerging RSS.			need to provide for at least 20,000 additional jobs by 2021.
OIW2.11 Perkins (West)	**Yes, the site is:** i) within Padholme Surface Water Catchment Area ii) 400m from A1139 iii) 400m from Sainsbury Supermarket	Yes. The site falls within a general employment area and is surrounded by employment activities.	Yes. Peterborough is identified as a Key Centre for Development and Change (policy SS3) and a Regionally Strategic Employment Location (policy E3) in the emerging RSS.	No	No	Yes – in particular, the need to provide for at least 20,000 additional jobs by 2021.
OIW2.12 Third Drove (North)	**Yes, the site is:** i) within Padholme Surface Water Catchment Area ii) 400m from cycleways iii) 400m from Fengate Road iv) 800m from the floodplain v) Frank Perkins Parkway is 1,2km away from the site	Yes. The site falls within a general employment area and is surrounded by employment activities.	Yes. Peterborough is identified as a Key Centre for Development and Change (policy SS3) and a Regionally Strategic Employment Location (policy E3) in the emerging RSS.	No	No	Yes – in particular, the need to provide for at least 20,000 additional jobs by 2021.
OIW2.13 Third Drove (South)	**Yes, the site is:** i) within Padholme Surface Water Catchment Area	Yes. The site falls within a general employment area and	Yes. Peterborough is identified as a	No	No	Yes – in particular, the need to provide for at least 20,000 additional

	ii) 1km from A1139 iii) 1.25km from a housing allocation iv) 1.5km from housing v) 500m from hotel vi) 900m to Greyhound Stadium vii) 1km to nearest cycle route viii) greenfield site	is surrounded by employment activities.	Key Centre for Development and Change (policy SS3) and a Regionally Strategic Employment Location (policy E3) in the emerging RSS.			jobs by 2021.
OIW2.15 Cygnet Park	**Yes, the site is:** i) 500m to PPTC ii) 1km to land safeguarded for Hampton Station Road iii) 400m from housing iv) Site is opposite Hampton District Centre v) 900m to Eldern local centre vi) Cycle route passes through the site vii) brownfield	Yes. The site is needed for employment development in order to deliver a sustainable mixed development for the community of Hampton.	Yes. Peterborough is identified as a Key Centre for Development and Change (policy SS3) and a Regionally Strategic Employment Location (policy E3) in the emerging RSS.	No	Yes. The site is part of the comprehensive mixed-use development of Hampton on reclaimed former brickpits.	Yes – in particular, the need to provide for at least 20,000 additional jobs by 2021.
OIW2.16 Hampton (East)	**Yes, the site is:** i) near Fletton Parkway which runs through the top of the site ii) 900m to land safeguarded for Stanground Bypass iii) Adjacent to land safeguarded for Hampton Station Road iv) 700m from housing allocation H3.26 v) 800m from housing vi) 2km to Hampton District Centre vii) Cycle route passes through the site	Yes. The site is needed for employment development in order to deliver a sustainable mixed development for the community of Hampton.	Yes. Peterborough is identified as a Key Centre for Development and Change (policy SS3) and a Regionally Strategic Employment Location (policy E3) in the emerging RSS.	No	Yes. The site is part of the comprehensive mixed-use development of Hampton on reclaimed former brickpits.	Yes – in particular, the need to provide for at least 20,000 additional jobs by 2021.
Hampton Township Development Area (HTDA)	**Yes**	Yes. The site is needed for employment development in order to deliver a sustainable	Peterborough is identified as a Key Centre for Development and	No	Yes. The site is part of the comprehensive mixed-use development of	Yes – in particular, the need to provide for at least 20,000 additional jobs by 2021.

Exclusive of OIW2.15 & OIW2.16		mixed development for the community of Hampton.	Change (policy SS3) and a Regionally Strategic Employment Location (policy E3) in the emerging RSS		Hampton on reclaimed former brickpits.	
OIW2.17 Bakewell Road (North-West)	**Yes, the site is:** i) adjacent to A1 and 500m from Fletton Parkway ii) adjacent to Bakewell Road iii) 1km from housing iv) close to cycle route network v) greenfield site	Yes. The site falls within a general employment area and is surrounded by employment activities.	Yes. Peterborough is identified as a Key Centre for Development and Change (policy SS3) and a Regionally Strategic Employment Location (policy E3) in the emerging RSS.	No	No	Yes – in particular, the need to provide for at least 20,000 additional jobs by 2021.
OIW2.19 Oxney (East)	**Yes, the site is:** i) within Padholme Surface Water Catchment Area ii) 400m from Oxney Road iii) 400m from Eyebury Road iv) 800m from housing v) 800m from Saltersgate Local Centre vi) 800m from cycleway vi) 1km from Frank Perkins Parkway	Yes. The site falls within a general employment area and is surrounded by employment activities.	Yes. Peterborough is identified as a Key Centre for Development and Change (policy SS3) and a Regionally Strategic Employment Location (policy E3) in the emerging RSS.	No	No	Yes – in particular, the need to provide for at least 20,000 additional jobs by 2021.
OIW2.20 Oxney (North)	**Yes, the site is:** i) adjacent to Parnwell Way ii) 700m from Frank Perkins Parkway iii) 400m from housing iv) 800m from two housing allocations	Yes. The site falls within a general employment area and is surrounded by employment activities.	Yes. Peterborough is identified as a Key Centre for Development and Change (policy SS3) and a	No	No	Yes – in particular, the need to provide for at least 20,000 additional jobs by 2021.

	v) 400m from Saltersgate Local Centre vi) 100m from the nearest cycleway vii) a greenfield Site		Regionally Strategic Employment Location (policy E3) in the emerging RSS.			
OIW2.21 Oxney (South)	**Yes, the site is:** i) within Padholme Surface Water Catchment ii) adjacent to Parnwell Way and Oxney Road iii) 400m from housing iv) 400m from housing allocation H3.02 & H3.03 v) 400m from Broadway local centre vi) 300m from the nearest cycle route vii) a greenfield site	Yes. The site falls within a general employment area and is surrounded by employment activities.	Yes. Peterborough is identified as a Key Centre for Development and Change (policy SS3) and a Regionally Strategic Employment Location (policy E3) in the emerging RSS.	No	No	Yes – in particular, the need to provide for at least 20,000 additional jobs by 2021.
OIW2.24 Saville Road	**Yes, the site is:** i) 800m from PPTC A15 ii) 700m from housing allocation H3.24 iii) 900m from housing allocation H3.17 iv) 800m from Winslow Road local Centre v) 700m from Mayor's Walk local centre vi) 900m from Hampton Court local centre vii) Cycleway Passes through the site viii) Greenfield site	Yes. The site falls within a general employment area and is surrounded by employment activities.	Yes. Peterborough is identified as a Key Centre for Development and Change (policy SS3) and a Regionally Strategic Employment Location (policy E3) in the emerging RSS.	No	No	Yes – in particular, the need to provide for at least 20,000 additional jobs by 2021.
OIW2.25 Shrewsbury Avenue	**Yes, the site is:** i) 400m from PPTC ii) Fletton Parkway is 500m away from the site iii) Area is served by the No. 1 Bus Service iv) Housing allocation H3.10 is	Yes. The site falls within a general employment area and is surrounded by employment activities.	Yes. Peterborough is identified as a Key Centre for Development and Change (policy SS3) and a	No	No	Yes – in particular, the need to provide for at least 20,000 additional jobs by 2021.

	700m away v) Existing houses are within 500m vi) 800m from Eldern Local Centre vii) 780m from Oakleigh Drive Local Centre viii) 870m from the Post Office ix) a greenfield Site		Regionally Strategic Employment Location (policy E3) in the emerging RSS.			
OIW4.01 Oak Tree	**Yes, the site is:** i) 500m from Soke Parkway ii) 400m from housing allocation H3.2 iii) 400m from housing iv) 250m from Bretton District Centre v) Cycleway passes through the site vi) Greenfield site vii) adjacent to Grimshaw Wood CWS & Highlees Spinney CWS	The site could have potential for residential development as an alternative to employment development.	Yes. Peterborough is identified as a Key Centre for Development and Change (policy SS3) and a Regionally Strategic Employment Location (policy E3) in the emerging RSS.	Yes. The site was identified for a specialist use i.e. Business Park.	No	Yes – in particular, the need to provide for at least 20,000 additional jobs by 2021.
OIW4.02 Lynch Wood 1 Peterborough Business Park	**Yes, the site is:** i) 400m from the Primary Public Transport Corridor (PPTC) ii) adjacent to a primary route i.e. Oundle Road iii) within 1.5km from the A1 iv) adjacent to the cycleway	Yes. The site falls within a business park and is surrounded by employment activities.	Yes. Peterborough is identified as a Key Centre for Development and Change (policy SS3) and a Regionally Strategic Employment Location (policy E3) in the emerging RSS.	Yes. The site was identified for a specialist use i.e. Business Park.	No	Yes – in particular, the need to provide for at least 20,000 additional jobs by 2021.
OIW4.03 Lynch Wood 2 Peterborough Business Park	**Yes, the site is:** i) adjacent to A605 ii) approximately 1.5km from the A1 iii) within 400m of PPTC iv) within 400m of two housing allocation sites v) 100m from Napier Place Local Centre	Yes. The site falls within a business park and is surrounded by employment activities.	Yes. Peterborough is identified as a Key Centre for Development and Change (policy SS3) and a Regionally	Yes. The site was identified for a specialist use i.e. Business Park.	No	Yes – in particular, the need to provide for at least 20,000 additional jobs by 2021.

	vi) 700m from Matley Local Centre vii) 1.5km from Orton District Centre viii) surrounded by cycleways ix) a greenfield site		Strategic Employment Location (policy E3) in the emerging RSS.			
OIW4.04 Lynch Wood 3 Peterborough Business Park	**Yes, the site is:** i) 650m from PPTC ii) adjacent to A605 iii) approximately 1km from A1 iv) 100m from Housing allocation H3.13 v) 500m from existing housing vi) 650m from Napier Local Centre vii) 1km from Matley Local Centre viii) 250m from a hotel ix) adjacent to Cycleway x) a green field site	Yes. The site falls within a business park and is surrounded by employment activities.	Yes. Peterborough is identified as a Key Centre for Development and Change (policy SS3) and a Regionally Strategic Employment Location (policy E3) in the emerging RSS.	Yes. The site has been identified for use as an Innovation Centre.	No	Yes – in particular, the need to provide for at least 20,000 additional jobs by 2021.
OIW4.05 Thomas Cook	**Yes, the site is:** i) 400m from A47 & A1260 ii) 400m from Path and cycleway iii) 400m from Nature Con CWS Thorpe Wood 7 Bluebell Walk Plantation iv) 800m from housing within 800m from Nature Cons CWS The Heronry v) 845m away from Copeland Local Centre	Yes. The site falls within a business park and is surrounded by employment activities.	Yes. Peterborough is identified as a Key Centre for Development and Change (policy SS3) and a Regionally Strategic Employment Location (policy E3) in the emerging RSS.	Yes. The site was identified for a specialist use i.e. Business Park.	No	Yes – in particular, the need to provide for at least 20,000 additional jobs by 2021.
OIW4.06 Thorpe Wood	**Yes, the site is:** i) 400m from housing ii) 400m from floodplain iii) 400m from Nature Cons CWS Bluebell Walk Plantation iv) 400m from A1260 & A47 v) 400m from Thorpe Wood Nature Reserve vi) 800m from housing 800m from the hotel	Yes. The site falls within a business park and is adjacent to employment activities.	Yes. Peterborough is identified as a Key Centre for Development and Change (policy SS3) and a Regionally Strategic Employment	Yes. The site was identified for a specialist use i.e. Business Park.	No	Yes – in particular, the need to provide for at least 20,000 additional jobs by 2021.

			Location (policy E3) in the emerging RSS.			
OIW9.01 Northam Works, Eye Green	**The site is:** i) adjacent to the Primary Route A47 & A1073 ii) four housing allocations are within a 200m radius iii) within 400m of existing houses iv) 500m away from the Post office vi) 350m from the Library vii) Close to cycle route viii) a brownfield site However, it would only be allocated today if the need for rural employment sites was demonstrated.	No. The site could have potential for residential development or development associated with the adjoining Eye Green Gravel Pit local nature reserve as an alternative to employment development.	Yes. Peterborough is identified as a Key Centre for Development and Change (policy SS3) and a Regionally Strategic Employment Location (policy E3) in the emerging RSS.	No	No	No. The need to provide for at least 20,000 additional jobs by 2021 does not necessarily require the safeguarding of small sites in villages.
OIW9.02 Station Road, Thorney	**The site is:** i) adjacent to the Thorney by-pass and the area safeguarded for the former railway ii) within 400m of housing iii) Close to library and Post Office iv) No cycle route nearby v) within 400m from existing houses vi) close to library and Post Office vii) a greenfield site However, it would only be allocated today if the need for rural employment sites was demonstrated.	No. The site could have potential for residential development as an alternative to employment development.	Yes. Peterborough is identified as a Key Centre for Development and Change (policy SS3) and a Regionally Strategic Employment Location (policy E3) in the emerging RSS.	No	No	No. The need to provide for at least 20,000 additional jobs by 2021 does not necessarily require the safeguarding of small sites in villages.
OPPORTUNITY AREAS						
Hospital Opportunity Area	**Yes, the site is:** i) within 400m of Thorpe Road ii) a brownfield site iii) within 400m of housing	No, the site is designated for mixed-use development and employment is acceptable as part of such a mix.	Yes. Peterborough is identified as a Key Centre for Development and Change (policy SS3) and a	No	Yes. The site is identified as an opportunity area for mixed-use development in the Peterborough Local Plan (First	Yes – in particular, the need to provide for at least 20,000 additional jobs by 2021.

			Regionally Strategic Employment Location (policy E3) in the emerging RSS		Replacement), adopted in 2005.	
London Road Opportunity Area	**Yes, the site is:** i) within 400m of public transport ii) a brownfield site iii) within 400m of housing	No, the site is designated for mixed-use development and employment is acceptable as part of such a mix.	Yes. Peterborough is identified as a Key Centre for Development and Change (policy SS3) and a Regionally Strategic Employment Location (policy E3) in the emerging RSS	No	Yes. The site is identified as an opportunity area for mixed-use development in the Peterborough Local Plan (First Replacement), adopted in 2005.	
North Westgate Opportunity Area	**Yes.** i) site has excellent access to public transport, and local facilities. ii) brownfield site	No, the site is designated for mixed-use development and employment is acceptable as part of such a mix.	Yes. Peterborough is identified as a Key Centre for Development and Change (policy SS3) and a Regionally Strategic Employment Location (policy E3) in the emerging RSS	No	Yes. The site is identified as an opportunity area for mixed-use development in the Peterborough Local Plan (First Replacement), adopted in 2005.	Yes – in particular, the need to provide for at least 20,000 additional jobs by 2021.
Railway Station Opportunity Area	**Yes.** i) site has excellent access to public transport, and local facilities. ii) brownfield site	No, the site is designated for mixed-use development and employment is acceptable as part of such a mix.	Yes. Peterborough is identified as a Key Centre for Development and Change (policy SS3) and a Regionally Strategic	No	Yes. The site is identified as an opportunity area for mixed-use development in the Peterborough Local Plan (First Replacement), adopted in 2005.	Yes – in particular, the need to provide for at least 20,000 additional jobs by 2021.

			Employment Location (policy E3) in the emerging RSS			
South Bank Opportunity Area	**Yes.** i) site has excellent access to public transport, and local facilities. ii) brownfield site	No, the site is designated for mixed-use development and employment is acceptable as part of such a mix.	Yes. Peterborough is identified as a Key Centre for Development and Change (policy SS3) and a Regionally Strategic Employment Location (policy E3) in the emerging RSS	No	Yes. The site is identified as an opportunity area for mixed-use development in the Peterborough Local Plan (First Replacement), adopted in 2005.	Yes – in particular, the need to provide for at least 20,000 additional jobs by 2021.

The assessment above provides an overview of the existing allocated Peterborough Local Plan sites which remain wholly or partly available for employment development. Taking the market, sustainability and strategic factors into account, and the assessment of future employment needs in Peterborough, it can be concluded that there is no case for releasing any of the allocations, with the possible exception of the Oak Tree site, Bretton (OIW4.01), Northam Works, Eye Green (OIW9.01) and Station Road, Thorney (OIW9.02).

5.9 Existing Employment Allocations Recommended to be Retained

It is concluded that it would be reasonable to retain all the currently allocated sites in general employment areas, villages and business parks for employment development except for those identified above, as they meet the market, sustainability and strategic assessment factors. All the sites are owned by developers and agents who are known to undertake employment development, or by employment companies. Also, development at all the sites would appear to be viable without public funding to resolve infrastructure or other on-site constraints. From the assessment in Table 5.8, it can be seen that the vast majority of employment sites will contribute to the Council's sustainable development objectives, since they are within reasonable walking distance to residential areas, local centres, bus routes cycle routes etc.

5.10 Existing Employment Allocations Recommended to be Released

Three sites are considered to be potentially suitable for release to other, non-employment, uses. These are OIW4.01 Oak Tree, Business Park, Bretton (1.3 hectares); OIW9.01 Northam Works, Eye Green (2.2 hectares); and OIW9.02 Station Road, Thorney (1.0 hectares). Although the latter two sites are located in sustainable locations (i.e. close to housing, post offices, libraries, transport) and offer the prospect of employment to diversify the rural economy, there has been virtually no market interest in developing them for employment. They were first formally allocated in the 1996 Local Plan, but appeared as potential allocations in the draft consultation version of that Plan as early as 1991. Sixteen years have elapsed and there has been no valid permission or an application submitted for employment use on either site.

The owner of the Northam Works site has requested that the site be de-allocated as an employment site and consideration be given to allocating it for housing because there has been no demand for employment. The Council has received various enquiries asking whether the Station Road, Thorney site can be developed for other, non-employment, uses. The conclusion of this Review, therefore, is that these two sites should be released as employment allocations.

The Oak Tree site has been considered for de-allocation in favour of a possible residential development. Since the site was allocated for employment use in 1996, there has been virtually no interest for employment use. In 2005 a planning application for a retail-led scheme was refused. The Bretton Spatial Framework report, produced by consultants on behalf of the community group, Bretton 2010, recommends that the site should be made available for residential development.

5.11 Current Supply to be Carried Forward

The effect of releasing the three allocated sites referred to in section 5.10 would be to reduce the total available existing allocated land (excluding that currently under construction) to 105.88 hectares. On the basis that some 13.2 hectares of employment land would be delivered from the Opportunity Areas, the overall supply from existing Local Plan sources would be in the region of 119.08 hectares.

5.12 Site Appraisal of Potential New Sites

Having established the current supply to be carried forward, it is now necessary to undertake a broad assessment of the potential new sites. The purpose of this assessment is to establish how many of these new sites may be suitable to meet future requirements, based on the preferred economic development scenario.

This section looks at the results from the market and sustainability assessment which has been carried out on all the potential new sites. It identifies the strengths and weaknesses associated with each site and recommends suitable sites for employment use.

A total score of 36 for each site can be achieved, taking account of marketability and sustainability factors. The market and sustainability criteria are set out below.

5.12.1 Market Assessment

The market assessment scores sites based on the criteria below. Each criterion is ranked on a scale of 1 to 3, where 1 is the least desirable and 3 is the most desirable. A total score of 12 can be achieved for market assessment.

1. Sequential Approach – Sites are given a score according to their position in the hierarchy of the sequential approach: • Within built up area of the city/village = 3 • Adjoining the urban boundary = 2 • Adjoining village boundary/countryside = 1
2. Time frame to deliver (assuming allocation in the Site Allocations DPD). The time frame to deliver potential sites depends on the anticipated time for favourable sites to be included in the adopted Site Allocations DPD. According to the Peterborough Local Development Scheme, the DPD is likely to be adopted in 2010. In that case, the potential new sites are not likely to be available for development until 2010, except for Alwalton Hill and Stanground South, which have outline planning permission: • An allocation/site with permission = 3 • Non-allocation site being actively promoted = 2 • Non-allocation = 1
3. Proximity to other employment uses: • Within 400m of other employment uses = 3 • Within 800m of other employment uses = 2 • Within 1500m of other employment uses = 1
4. Ownership – this criterion is based on the assumption that sites in single ownership are likely to be developed quicker than sites in multiple ownership: • Site in single ownership = 3 • Multiple ownership = 2 • Ownership not known = 1

Table 5.9: Market Assessment

Site name	Sequential Approach	Time frame to deliver	Proximity to other employment uses	Ownership	Total
Perkins Surplus South	3	1	3	3	10
North Werrington 3	2	2	1	2	7
Eye 1	1	1	1	3	6
Eye 2	1	1	3	3	8
Wittering	1	1	3	3	8
Dogsthorpe Lozenge	3	1	2	2	8
Red Brick Farm	2	2	3	2	9
Norwood, Newborough	2	2	1	2	7
Land at Dogsthorpe (Paston Parkway/Peterborough Rd)	2	1	2	3	8
Land at Dogsthorpe (Paston Parkway/Welland Rd)	3	1	2	3	9
Oxney Road	1	1	3	3	8
Land at Castor and Ailsworth (Greengate)	1	1	1	3	6
Eye 3	1	1	1	3	6
North Werrington 4	2	2	2	3	9
Land to the south east of Thorney by-pass	1	1	2	2	6
Land Adjacent to Cobblers Fen, Thorney	1	1	2	2	6
Alwalton Hill	2	3	3	3	11
Stanground South	3	3	2	2	10
Land at Eyebury Road	1	1	2	3	7
Land at Horsey Grange	1	1	2	3	7
Southern Expansion Land	2	2	3	2	9
Land at Market Deeping Bridge	1	1	1	3	6

5.12.2 Sustainability Assessment

As mentioned in Chapter 2, sustainable development is at the heart of all national, regional and local policies. Based on the four aims of sustainable development (in paragraph 2.1), we have developed a set of criteria to assess the sustainability of each site. Each criterion is ranked on a scale of 1 to 3, where 1 is the least desirable and 3 is the most desirable. The sustainability criteria are set out below. A total score out of 24 can be achieved for each of the sites.

1. Proximity to public transport:

PCC Transport Services' 'Accession ' model was used to calculate the number of households within a 40 minute travel time isochrone by public transport (bus). The 40 minute period includes the time taken to walk from door to bus stop, bus travel time and bus stop to employment site. The calculation was made for morning journeys between 7.30 – 9.30am (Tuesdays) (August 2007).

The scores were assigned as follows:

- More than 25,000 households within 40 min public transport travel time = 3
- More than 10,000 and less or equal to 25,000 households within 40 min public transport travel time = 2
- Less or equal to 10,000 households within 40 min public transport travel time = 1

2. Proximity to housing (i.e. minimising potential journey to work distances): • Within 400m = 3 • Within 800m = 2 • Within 1500m = 1
3. Brownfield or greenfield land: • Brownfield site = 3 • Greenfield site = 1
4. Flooding: • Within Zone 1 = 3 (zone 1 is land assessed as having a less than 1 in 1000 annual probability of river or sea flooding in any year) • Within Zone 2 = 2 (medium probability – this zone comprises land assessed as having between a 1 in 100 and 1 in 1000 annual probability of river flooding) • Within Zone 3 = 1 (zone 3 is land assessed as having a 1 in 100 or greater annual probability of river flooding or a 1 in 200 or greater annual probability of flooding from the sea in any year)
5. Landscape Sensitivity – Sensitivity was evaluated under three headings: - ecological sensitivity - cultural sensitivity - visual sensitivity The three measures of ecological, cultural and visual sensitivity were combined to provide an overall measure of 'inherent landscape sensitivity'. The following rating was allocated to the three sensitivity areas: - low = 3 - moderate = 2 - high = 1 To derive an overall landscape sensitivity, the scores were totalled and given a value description as follows: • Low = 7-9 • Moderate = 4-6 • High = 1-3
6. Contaminated land: Historic land use maps (PCC Env. Health/Landmark Contamination maps) were checked to identify likely sources of contamination, within or adjacent to the sites being appraised. The following scores have been assigned: • 90% or more of the site being assessed is free of potential contamination sources = 3 • Site(s) with potential for contamination immediately adjacent or covering up to 10% of the site being assessed = 2 • Site(s) with potential for contamination covering more than 10% of the site being assessed = 1 It is recognised that the data is limited in detail. The scoring signals the potential for contamination. The potential may not be realised, equally in some cases remedial measures may only be minimal in scale. A more accurate measure would require a detailed site survey.

Table 5.10: Sustainability Assessment

Site No	Site name	Proximity to public transport	Proximity to housing	Brownfield / greenfield	Flooding	Landscape sensitivity	Contaminated land	Total
1	Perkins Surplus South	3	3	1	3	7	2	19
2	North Werrington 3	3	3	1	2	7	3	19
3	Eye 1	3	3	1	3	7	3	20
4	Eye 2	2	3	1	3	7	3	19
5	Wittering	1	3	1	3	4	2	14
6	Dogsthorpe Lozenge	3	3	1	3	7	1	18
7	Red Brick Farm	2	3	1	1	7	3	17
8	Norwood, Newborough	2	3	1	3	7	3	19
9	Land at Dogsthorpe (Paston Parkway/Peterborough Rd)	3	3	1	3	7	2	19
10	Land at Dogsthorpe (Paston Parkway/Welland Rd)	3	3	3	3	7	1	20
11	Oxney Road	2	2	1	1	7	3	16
12	Land at Castor and Ailsworth (Greengate)	3	3	1	3	4	2	16
13	Eye 3	3	3	1	1	7	3	18
14	North Werrington 4	3	3	1	2	7	2	18
15	Land to the south east of Thorney by-pass	2	3	1	2	7	2	17
16	Land Adjacent to Cobblers Fen, Thorney	2	3	1	2	7	2	17
17	Alwalton Hill	2	3	1	3	7	3	19
18	Stanground South	3	3	1	3	7	3	20
19	Land at Eyebury Road	2	3	1	2	7	3	18
20	Land at Horsey Grange	2	3	1	3	7	3	19
21	Southern Expansion Land	3*	3*	1	3	8	3	21
22	Land at Market Deeping Bridge	3*	3*	1	3	6	3	19

* Sites marked with an asterisk have been upgraded from a score of 2 to 3 for the criteria indicated. At Market Deeping the initial calculation was exclusive of households in Lincolnshire, which produces an unrealistically low figure. The Southern Expansion land was upgraded to take account of future dwellings permitted and under construction at Hampton.

5.13 Summary of Scores

A summary of the findings (based on the marketability and sustainability assessment) for all the potential sites is provided in the Table 5.11 below.

Table 5.11: Summary of Scores

Site Name	Marketability score	Sustainability score	Overall score
Perkins Surplus South	10	19	29
North Werrington 3	7	19	26
Eye 1	6	20	26
Eye 2	8	19	27
Wittering	8	14	22
Dogsthorpe Lozenge	8	18	26

Red Brick Farm	9	17	26
Norwood, Newborough	7	19	26
Land at Dogsthorpe (Paston Parkway/Peterborough Rd)	8	19	27
Land at Dogsthorpe (Paston Parkway/Welland Rd)	9	20	29
Oxney Road	8	16	24
Land at Castor and Ailsworth (Greengate)	6	16	22
Eye 3	6	18	24
North Werrington 4	7	18	25
Land to the south east of Thorney by-pass	6	17	23
Land Adjacent to Cobblers Fen, Thorney	6	17	23
Alwalton Hill	11	19	30
Stanground South	10	20	30
Land at Eyebury Road	7	18	25
Land at Horsey Grange	7	19	26
Southern Expansion Land	9	21	30
Land at Market Deeping Bridge	6	19	25

5.14 Qualitative Summary of the Assessment

This section provides detailed comments regarding the potential sites which have been assessed above.

a. Time frame to deliver

Most sites score low when it comes to time frame to deliver. All the potential sites (except for Alwalton Hill and Stanground South, which already have outline permission – these sites can be developed a lot sooner following approval of reserved matters planning applications) are unlikely to be available for development until 2010, when successful sites are allocated in the Site Allocations DPD. The Opportunity Areas and the existing Local Plan allocated sites are available for development before then, especially those sites which have outline or full permission.

b. Proximity to other employment uses

The results show that sites that are located closer to other employment uses score higher – for example, the Perkins Surplus South and Red Brick Farm sites. The assumption is that if a site is close to existing related uses, business is more likely to thrive. Advantages for employment uses locating closer to each other include economies of scale, cluster development, scope for expansion etc.

c. Ownership

According to the assessment, it appears that most sites are in single ownership and those that succeed in making their way into the Site Allocations DPD should, in most cases, be easier to develop than sites in multiple ownership.

d. Proximity to public transport

It has been important to examine the accessibility of each site, in particular the ease with which they could be accessible by public transport. Sites within the urban area and close to the urban/village boundary (such as Perkins Surplus South, North Werrington 3 etc) scored quite well. Some of the very large sites (such as Alwalton Hill, Red Brick Farm) scored 2, but they would be likely to generate sufficient passenger numbers to enable any problems of accessibility to be overcome by extending bus and cycle routes.

e. Present use

National and regional policies encourage more development to take place on suitable previously developed land. However, all but one of the potential sites were found to be greenfield sites. The land at Dogsthorpe (Paston Parkway/Welland Road) is the only site that comprises previously developed (brownfield) land.

f. Flooding

The assessment has shown that the majority of sites are not at risk of flooding. About six sites have a medium probability risk of flooding, which means they would have to be defended before development takes place on them. The Oxney Road site lies in zone 3A where there is a high probability of flooding, if it were not for the presence of flood defences; this suggests that it should be excluded as a potential site for development.

Many other sites extend across more than one flood zone, and would require alterations to the site boundary, which reduces the gross amount of land that could be developed. Site-specific floodrisk assessments would be required to demonstrate how development could take place without adverse impacts.

g. Landscape Sensitivity

Most of the sites score high when it comes to landscape sensitivity - that is, they have a low impact on landscape sensitivity. Three sites have a moderate impact on landscape sensitivity, making them less favourable locations for development on this criterion. None of the sites are considered to have high impact on landscape sensitivity.

Due to their location, sites within the urban area have not been subject to landscape sensitivity assessment. An average score of 7 has been awarded to these sites.

h. Contaminated land

It is important to examine whether a site is contaminated or not. Contaminated land is of concern if it presents a threat to the environment or if it poses risks to users of the land. Thirteen sites were found to be free of potential contamination. Two sites were found to be at greatest risk - Dogsthorpe Lozenge and Land at Dogsthorpe (Paston Parkway/Welland Road). If a site is contaminated it does not necessarily mean that it cannot be developed, as it can be remediated to address environmental risks. There may, however, be issues of viability in such cases.

5.15. Commentary of Results

1. Perkins Surplus South

This site appears to be a sustainable location for employment development because it is within the Eastern Industry General Employment Area. The owner is known for employment development.

Constraints
- a greenfield site
- loss of open space; however, there is no deficiency of open space in that particular area

Opportunities
- the site is surrounded by industrial uses
- within the urban boundary

2. North Werrington 3

This is a substantial site close to the existing Werrington residential area, although it is physically separated from it by a railway line and landscape buffer which effectively signifies the edge of the current built-up area of the city. If development were to proceed here, it would be most likely to take the form a mix of uses, of which employment uses would form a component. The developer is known for housing development.

Constraints
- a greenfield site
- loss of agricultural land which is potentially Best and Most Versatile (BMV).
- site is in a Green Wedge
- ability to deliver is not known and there are high pressure gas pipeline issues to be resolved

Opportunities
- site is close to the A15
- site is close to a railway line

3. Eye 1

This site adjoins an existing residential development site on the eastern side of Eye. It was put forward for mixed-use development, but may be more appropriate for housing, if required for that purpose, than for employment development.

Constraints
- a greenfield site
- outside the village envelope
- lack of market interest to develop sites for employment use, hence the recommended de-allocation of the existing Eye employment allocation

Opportunities
- an opportunity to develop the site for employment use would only arise if Eye is identified as an area for growth in the Core Strategy

4. Eye 2

The site would extend the built form of Eye considerably, but adjoins existing employment premises and could be a reasonable location for employment development if there was a strategy to direct such development to village locations.

Constraints
- a greenfield site
- outside the village envelope
- lack of market interest to develop sites for employment use, hence the recommended de-allocation of the existing Eye employment allocation

Opportunities
- site has good access as it lies along Thorney Road, with easy access to the A47
- an opportunity to develop the site for employment use would only arise if Eye is identified as an area for growth in the Core Strategy

5. Wittering

The site is next to the Wittering RAF base and therefore could have reasonable scope to be developed as an employment site if there was a strategy to direct such development to village locations.

Constraints

- a greenfield site
- within an area of Best Landscape
- site is just outside the village boundary
- access for heavy goods vehicles is poor

Opportunities

- site is next to a new residential development and an employment site

6. Dogsthorpe Lozenge

Half of the site falls within the Urban Area of Peterborough, as defined in the existing Local Plan. This portion is safeguarded as a potential waste management site in the Cambridgeshire and Peterborough Waste Local Plan and the remainder is under consideration for waste management purposes. The site has excellent access to the A47.

Constraints

- a greenfield site
- identified as a waste management site
- adjacent to a waste management site
- potential contamination

Opportunities

- site has good access to the A47 and Peterborough parkway system
- close to residential development

7. Red Brick Farm

This is a large greenfield site on the edge of the existing urban area, adjoining an existing employment area. A substantial area has significant advantages for employment development, should further allocated land be required, but the remainder falls within floodrisk zones 2 and 3A. This will be significant constraint unless a site-specific floodrisk assessment can demonstrate that any risks can be overcome.

Constraints

- a greenfield site
- part of the site is in flood zones 2 and 3A
- outside the urban boundary
- improvements to the surrounding highways network may be necessary to overcome congestion and overloading

Opportunities

- adjoins existing employment uses in the Eastern Industry General Employment Area
- well related to services and facilities in Peterborough

8. Norwood, Newborough

This is a substantial area of land proposed by a developer for a mixed-use urban extension to Peterborough. Employment development could form part of that mix. In principle, the site would appear suitable if substantial expansion of the city onto greenfield land is necessary to deliver the scale of growth proposed by the RSS.

Constraints
- a greenfield site
- outside the urban area
- part of the site is in a Green Wedge

Opportunities
- a big site which has potential for employment development as part of a mix of land uses
- potential for good access to the A47 in association with the A1073 re-alignment scheme, which is due to commence shortly

9. Land at Dogsthorpe (Paston Parkway/Peterborough Road)

The site is next to an operational landfill site. It was put forward for employment development but also has the potential to be used for waste management purposes. Development here would reduce the separation of Eye from Peterborough.

Constraints
- a greenfield site
- safeguarded as part of a landfill site in the Cambridgeshire and Peterborough Waste Local Plan
- outside the urban area
- site is in a Green Wedge

Opportunities
- good access to the A47 and Peterborough parkway system
- next to other commercial uses

10. Land at Dogsthorpe (Paston Parkway/Welland Rd)

The site is next to an operational landfill site and household waste recycling centre. It was put forward for employment development but also has the potential to be used for waste management purposes.

Constraints
- an active waste site
- potential contamination

Opportunities
- good access to the A47 and Peterborough parkway system
- within the urban boundary

11. Oxney Road

The site is a field with no direct access from any highway. Although it is relatively close to an existing employment area, it lies within flood zone 3A, which makes it most unlikely to be suitable for any type of development.

Constraints
- a greenfield site
- the whole site is within flood zone 3A
- outside the urban boundary
- access problems

Opportunities

- quite close to employment uses at the Eastern Industry General Employment Area

12. Land at Castor and Ailsworth (Greengate)

This is a substantial area of land proposed by a developer for a mixed-use urban extension to Peterborough, although the site is physically separate from the remainder of the built-up area. Employment development could form part of that mix. The location has been assessed as part of the work for the Peterborough Integrated Growth Study, which concluded that it should not form part of the growth strategy.

Constraints

- a greenfield site
- outside the urban boundary
- an area with high archaeological potential
- greater impact on landscape sensitivity than most other sites
- a greater part of the site falls within a high ecological sensitivity area

Opportunities

- a big site which has potential for employment development as part of a mix of land uses
- easy access to the A47 and A1

13. Eye 3

The site would extend the built form of Eye considerably, into the green wedge that separates Eye from Peterborough. There may be access difficulties, and if access is taken from the adjoining residential area, this would give rise to problems of through traffic for local residents.

Constraints

- a greenfield site
- access for employment-related traffic is poor
- outside the village envelope
- site is within a Green Wedge
- part of the site is in flood zone 2
- lack of market interest to develop sites for employment use, hence the recommended de-allocation of the existing Eye employment allocation

Opportunities

- close to an existing residential area
- an opportunity to develop the site for employment use would only arise if Eye is identified as an area for growth in the Core Strategy

14. North Werrington 4

The site could be perceived as an extension to the Werrington General Employment Area, although it is physically separated from it by a railway line and landscape buffer which effectively signifies the edge of the current built-up area of the city. There are some individual residential properties whose amenity would be adversely affected by a large employment development. The site lies close to the gas compressor station, which raises health and safety issues.

Constraints

- a greenfield site
- loss of agricultural land which is potentially BMV
- site extends into areas of flood zones 2, 3A and 3B
- ability to deliver is not known and there are gas pipeline issues to be resolved

Opportunities

- site is close to the A15
- site is close to the railway line
- adjacent to an existing employment area (but separated by a railway line)

15. Land to the South East of Thorney by-pass

The site lies between the existing built-up area of the village and the Thorney By-pass. It could be regarded as a potential area for the expansion of Thorney, if there was a strategy to direct employment development to village locations, although residential development might be more appropriate. However, the entire site is within flood zone 3A, which will be a significant constraint unless a site-specific floodrisk assessment can demonstrate that any risks can be overcome.

Constraints

- a greenfield site
- the entire site is in flood zone 3A
- outside the village envelope
- lack of market interest to develop sites for employment use, hence the recommended de-allocation of the existing Thorney employment allocation

Opportunities

- site lies next to an existing residential area
- an opportunity to develop the site for employment use would only arise if Thorney is identified as an area for growth in the Core Strategy
- could be a suitable mixed use site (with mainly residential and some element of employment)

16. Land Adjacent to Cobblers Fen, Thorney

This site is next to the employment allocation at Station Road, Thorney, which is recommended for de-allocation. The site is well related to the existing village, but it is in a sensitive location, adjoining the Thorney Conservation Area. The majority of the site is within flood zones 3A and 2, which will be a significant constraint unless a site-specific floodrisk assessment can demonstrate that any risks can be overcome.

Constraints

- a greenfield site
- the majority of the site is in flood zones 3A and 2
- outside the village envelope
- site adjoins the Thorney Conservation Area and the sensitive setting of the Duke of Bedford Cottages
- lack of market interest to develop sites for employment use, hence the recommended de-allocation of the existing Thorney employment allocation

Opportunities

- an opportunity to develop the site for employment use would only arise if Thorney is identified as an area for growth in the Core Strategy
- could be a suitable mixed use site (with mainly residential and some element of employment)

17. Alwalton Hill

This site lies immediately to the south of the built-up area of Peterborough, close to the junction of the A1(M) and A1139. It has outline planning permission for warehouse units.

Constraints
- a greenfield site
- existence of a ransom strip will delay implementation
- loss of agricultural land
- bus & pedestrian/cycle routes do not currently exist within the site, and will need to be provided

Opportunities
- site already has planning permission
- site has good access to the A1(M) and A1139
- access to the site is possible for pedestrians and cyclists via the existing overbridge crossing of the A1139 Fletton Parkway from Goldhay Way, Orton

18. Stanground South

The site lies immediately south of the existing built-up area of Stanground, and development will create a sustainable mixed-use extension to the urban area of the City. The primary use will be residential, but the Local Plan allocates 5.5 hectares to be developed for employment use. The site has outline permission for mixed use development in accordance with these Local Plan provisions.

Constraints
- a greenfield site
- loss of agricultural land
- development of this site requires the provision of the A605 Stanground by-pass

Opportunities
- site already has planning permission
- site is well related to the urban area and existing facilities
- the proposed by-pass will accommodate traffic from the proposed development as well as existing through traffic flows

19. Land at Eyebury Road

This is a relatively isolated site which lies in countryside between Peterborough and Eye. Development would destroy the green wedge that separates these two. Eyebury Road is not a suitable road for the additional traffic that would be generated from an employment development on this site.

Constraints
- a greenfield site
- loss of agricultural land
- access is poor
- outside the urban boundary and village envelope
- site is in a Green Wedge
- a small proportion of the site is in flood zones 2 and 3A

Opportunities
- owner with a willingness to make the site available for development

20. Land at Horsey Grange

The site lies to the south-east of Peterborough, adjoining the local authority boundary and comparatively remote from the existing built-up area of the city. It wraps around the Horsey Toll

Civil War fort, which is a scheduled monument. The site was considered for employment development at the public inquiry into objections to the Peterborough Local Plan (First replacement), but was rejected by the Inspector as being unsuitable. However, if there is a need to find further land to 2021, the site would come back into contention.

Constraints

- a greenfield site
- outside the urban area boundary
- proximity to scheduled ancient monument, with high archaeological potential
- serious traffic implications for A605 through Stanground, unless the by-pass is in place

Opportunities

- good access to the A605, provided the Stanground by-pass is in place

21. Southern Expansion

This is a substantial area of land to the south of the existing area of Peterborough, proposed by a developer for a mixed-use urban extension to the city. Employment development could form part of that mix. In principle, the site would appear suitable if substantial expansion of the city onto greenfield land is necessary to deliver the scale of growth proposed by the RSS.

Constraints

- a greenfield site, which includes areas of woodland
- outside the urban area boundary
- loss of agricultural land which is BMV
- close to nature reserves
- the south-west edge of the site adjoins a scheduled ancient monument at Norman Cross

Opportunities

- good access to the A1(M), A15 and Peterborough parkway system
- potential to link well to the existing expansion area at Hampton
- a big site which has potential for employment development as part of a mix of land uses

22. Land at Market Deeping Bridge

The site lies immediately adjacent to the local authority boundary with South Kesteven, Lincolnshire. Although development would have good access to local facilities in Market Deeping, it would be poorly related to any existing urban area within Peterborough. The site has been suggested for a mixed-use development, which may give rise to considerably more car use along the A15 to and from Peterborough.

Constraints

- a greenfield site
- outside the urban area boundary and village envelope
- loss of agricultural land
- potential to generate considerably more traffic along the A15 to Peterborough
- adjacent to floodplain of the River Welland

Opportunities

- good vehicular access from Peterborough Road (former A15), with easy links to A15
- convenient for services and facilities in Market Deeping

5.16. Potential New Sites Unsuitable for Employment Development

Based on the results of the assessment, a total of twelve sites have been considered as not suitable for employment use. These are:

North Werrington 3 – the Peterborough Integrated Growth Study reached the conclusion that this site should not form part of the expansion of the urban area, because of its constraints to development.
Eye 1, 2 & 3 – the three sites in Eye were put forward for mixed use development, but are unlikely to attract significant interest for employment uses. An opportunity to develop the sites for employment use would only arise if Eye is identified as an area for growth in the Core Strategy. Of the three sites, Eye 2 would appear to offer the most likely potential for employment development.
Dogsthorpe Lozenge – this is a potential waste management site.
Land at Dogsthorpe (Paston Parkway/Peterborough Road) – the site is constrained by the presence of the adjoining landfill site, and development would reduce the degree of separation of Eye from Peterborough.
Land at Dogsthorpe (Paston Parkway/Welland Rd) – this is an operational waste site and would be more suitable for continued waste management purposes.
Oxney Road – this site lies entirely within flood zone 3A and vehicular access is poor.
Land at Castor and Ailsworth (Greengate) – the Peterborough Integrated Growth Study reached the conclusion that this site should not form part of the expansion of the urban area, because of its constraints to development.
North Werrington 4 – development would extend the built area of Peterborough in an elongated form into the countryside and there are health and safety constraints related to the gas compressor station and gas pipelines.
Land to the South East of Thorney by-pass – this site was put forward for mixed use development, but is unlikely to attract significant interest for employment uses. An opportunity to develop the site for employment use would only arise if Thorney is identified as an area for growth in the Core Strategy. Furthermore, the site lies entirely within flood zone 3A.
Land adjacent to Cobblers Fen, Thorney – this site was put forward for mixed use development, but is unlikely to attract significant interest for employment uses. An opportunity to develop the site for employment use would only arise if Thorney is identified as an area for growth in the Core Strategy. Furthermore, the large majority of the site lies within flood zones 2 and 3A, and there would be issues in relation to the adjoining conservation area.
Land at Eyebury Road – development of the site would destroy the separation between Eye and Peterborough, and Eyebury Road is unsuitable for the additional traffic that would be generated.
Land at Horsey Grange – the site is relatively remote in relation to the built-up area of the city. Development is likely to be prominent in the open landscape and have considerable archaeological implications.
Land at Market Deeping Bridge – development would effectively be an elongated extension to Market Deeping into open countryside outside any settlement within Peterborough, with the potential for substantial increases to car use along the A15 into Peterborough

5.17 Favourable Sites for Employment Development

The assessment concludes ten sites have the potential to be developed for employment use. Three of these sites are within the urban boundary and the remainder are close to the urban/village boundary. These are:

- **Perkins Surplus South**
- **Wittering**
- **Red Brick Farm**
- **Norwood, Newborough**
- **Alwalton Hill**
- **Stanground South**
- **Southern Expansion**

Table 5.12 includes these favourable sites together with the existing allocations and opportunity areas that have been recommended for retention (paragraph 5.9), to provide an overall picture of Peterborough's potential supply of sites to 2021 and beyond.

Table 5.12: Favourable sites for employment development

Site name	Area likely to be developed for employment (ha)	Time frame to deliver	B1 (ha)	B2 (ha)	B8 (ha)
FAVOURABLE POTENTIAL NEW SITES					
Perkins Surplus South	2.825	2010	2.825		
Wittering	0.5	2010	0.5		
Red Brick Farm	28	2010	10		18
Norwood, Newborough	17	2010	17		
Alwalton Hill	39.9	2009			39.9
Stanground South	5.5	2009	5.5		
Southern Expansion Land	40.7	2010	10.7		30
SUB TOTAL	**134.43**		**46.53**	**0**	**87.9**
EXISTING ALLOCATIONS					
OIW2.01 Stirling Way (North)	6.7	2007			6.7
OIW2.02 Stirling Way (Extension)	5.3	2007			5.3
OIW2.05 First Drove, Fengate	2.2	2007	2.2		
OIW2.07 Murdens	1.83	2007			1.83
OIW2.08 Newark Road	0.7	2007	0.7		
OIW2.09 Perkins (North)	5.1	2007	5.1		
OIW2.10 Perkins (South)	2.4	2007	2.4		
OIW2.11 Perkins (West)	3	2007	3		
OIW2.12 Third Drove (North)	7.9	2007		5.9	2
OIW2.13 Third Drove (South)	2.6	2007			2.6
OIW2.15 Cygnet Park	13.19	2007	9.19	4	
OIW2.16 Hampton (East)	5.14	2007			5.14
Hampton Township Development Area (HTDA) Exclusive of OIW2.15 & OIW2.16	25	2007	14	4	7
OIW2.17 Bakewell Road (North-West)	1.88	2007	1.88		
OIW2.19 Oxney (East)	2.1	2007			2.1
OIW2.20 Oxney (North)	7.88	2007			7.88
OIW2.21 Oxney (South)	2.8	2007			2.8
OIW2.24 Saville Road	0.62	2007			0.62
OIW2.25 Shrewsbury Avenue	1	2007	1		
OIW4.02 Lynch Wood 1 Peterborough Business Park	1	2007	1		
OIW4.03 Lynch Wood 2 Peterborough Business Park	1.3	2007	1.3		
OIW4.04 Lynch Wood 3 Peterborough Business Park	1.14	2007	1.14		
OIW4.05 Thomas Cook	1.1	2007	1.1		
OIW4.06 Thorpe Wood	2.7	2007	2.7		
SUB TOTAL	**104.58**		**46.71**	**13.9**	**43.97**
OPPORTUNITY AREAS					
Hospital Opportunity Area, Thorpe Road	2	2007	2		
London Road Opportunity Area	7.7	2007	4.7	3	
North Westgate	0.5	2007	0.5		
Railway Opportunity Area	1	2007	1		

South Bank Opportunity Area	2	2007	2		
SUB TOTAL	**13.2**		**10.2**	**3**	
PERMISSIONS ON NON-ALLOCATED LAND & NON-OPPORTUNITY AREAS					
Planning permissions on non-allocated land and non-opportunity areas	3.94	2007	1.76	2.13	0.05
GRAND TOTAL	**256.15**		**105.2**	**19.03**	**131.92**

The overall conclusion from Table 5.12 above is that Peterborough has a potential supply of 256.15 hectares of employment land.

On the basis purely of past trends, and taking into account those sites under construction at 31 March 2007, Peterborough requires between approximately 214.7 and 281.9 hectares of employment land over the period 2007 up to 2021 (from paragraph 5.2 above). In quantitative terms, Table 5.12 above shows that the potential supply sits above the mid-point of this range.

However, past trends are only one method of seeking to forecast future needs. Chapter 6 now examines future needs on the basis of job forecasts and alternative economic scenarios for the future development of Peterborough. The results of this forecasting will help to establish a supply and demand balance for consideration in Chapter 7.

CHAPTER 6: FUTURE REQUIREMENTS

6.1 Overview

This section provides details of the future land and associated floorspace that will be required for employment purposes in Peterborough for the period 2001 – 2021, based on forecasting rather than any projection of past trends. The overall floorspace and employment land forecasts have been developed as part of the Peterborough Integrated Growth Study through a process of consultation as well as analysis of underlying economic conditions. They are based on scenarios which are discussed in detail below.

Employment totals for the preferred scenario are then translated into floorspace and employment land requirements based on the methodology described in detail below. This methodology has been informed by a wide variety of national, regional and local employment land studies and guidance documents, notably ODPM's Guidance Note on Employment Land Reviews (2004) and the draft guidance on good practice in Employment Land Reviews currently being prepared by Roger Tym & Partners for the East of England region.

6.2 Details of Economic Scenarios

A baseline scenario was initially developed, based on Experian BSL's 2004 sector-based employment forecast. Additional scenarios have then been created based on various assumptions about the development of specific clusters in the city economy, and the effect of future planning and economic policy. Each of these scenarios is underpinned by assumptions about population growth, which are detailed below, and about the impact that population growth has on employment in the 'nonbasic' sector (i.e. jobs in retail, education and health associated with serving the local population), which are also provided below.

Each of the scenarios described below plots a different possible economic development path, characterised by an overall increase in employment made up of stronger or weaker employment growth in particular sectors or clusters. Each scenario results in a different outcome in terms of total employment and overall requirements for employment land in different land use classes.

As detailed below, the development of scenarios has taken account of major forthcoming projects in the city that are likely to have significant employment impacts. The scenarios and the underlying rationale for them are briefly described in the following paragraphs. The five scenarios are as follows:
Scenario 1 – Housing Led Baseline Scenario
Scenario 2 – Distribution and Logistics Scenario
Scenario 3 – Environment Plus Scenario
Scenario 4 – Environment Plus 'Jobs-Led' Scenario
Scenario 5 – Going For Growth Scenario

6.2.1 Scenario 1 - Housing Led Baseline

This establishes a base case for employment growth in Peterborough and is based on employment change as expressed in the Experian BSL 2004 employment projection. This is a trend-based forecast driven predominantly by wider regional and national economic trends, and does not account for major projects at a local level which may impact on employment growth trends. We have therefore modified Experian's projection to take account of the net additional employment resulting from locally-specific issues, taking care to avoid double-counting. Adjustments to the Experian projection include the following:

- The projected impact on employment of the population growth, as defined by the RSS floor target of 25,000 additional dwellings which implies an increase in population of 45,000 between 2001 and 2021.

- A significant increase in employment in the construction sector, based on housebuilding and major construction projects such as the Edith Cavell hospital and redevelopment of part of the city centre. This is assessed to increase the workforce in the sector by 1,300 from 2008 through to 2021.

- The impacts of key development projects which are judged to be very likely to go ahead, in particular in the retail and logistics sectors. The employment impact of the North Westgate development, expected to create around 3,000 retail jobs has been incorporated into the baseline scenario, with care taken to avoid double-counting (e.g. adding retail job growth resulting from population expansion, and then separately adding retail jobs created at North Westgate).

- In addition, account has been taken of the 169,000 m2 Gateway Peterborough distribution park (at Alwalton Hill), which has received outline planning permission and is expected to create 2,500 jobs. Floorspace impacts for specific warehousing developments for Tesco (34,000 m2), Debenhams (67,000m2), Ikea (76,000 m2) and the Phases 2 and 3 at Kingston Park (68,000 m2) have also been included.

- Adjustment of business services employment where there are known problems with the Annual Business Inquiry (ABI) data on which Experian's projection is based. Specifically, it is known that significant numbers of agricultural workers who contract with city-based employment agencies have been included in ABI data for Peterborough when in fact they work in the countryside in unknown locations. These are recorded in the statistics as business services sector workers, whereas most are probably working in agriculture, food processing and other factory work.

- The planned university is judged to employ about 500 by the latter years of the plan period, based on information from comparable benchmarks. This is judged to be already included within the Experian BSL trend projection. The University centre in Peterborough is seen as a key element in transforming the city centre, cultural offer, leisure, ambience and the urban buzz, which in turn is essential for the attraction and retention of young talent for the knowledge based activities, as well as potentially providing graduates to work in such industries and courses aligned with the kind of activities which Peterborough is targeting. The impacts are long-term; however, the scale of impact possible in attracting additional inward investment within ten to 15 years may be fairly modest.

6.2.2 <u>Scenario 2 - Distribution and Logistics</u>

The choice of this scenario reflects the recent trend for employment growth in distribution and logistics activities in Peterborough, which grew by 4% a year during 2001 to 2005, compared to 1% for employment in all sectors. Continuing growth in distribution is expected in coming years if planning policy accommodates this. For instance:

- Recent developments for Tesco, Debenhams and Ikea have been built and are expected to employ up to 2,500 when fully staffed.
- The £140 million Gateway Peterborough project, which already has planning permission, will eventually create around 2,500 jobs over 170,000 square metres of floorspace.
- Construction of B8 floorspace at Kingston Park Phase 2 is in progress, and a start is expected in the medium term at Phase 3. When combined, this will add an additional 68,000 square metres to Peterborough's warehousing stock, equivalent in scale to the 900 employee Debenhams facility.
- Planning applications for further major projects in this sector are also anticipated in future.

The Distribution and Logistics scenario therefore incorporates employment impacts of allowing further logistics development to go forward, and includes an additional 2,700 potential distribution-related jobs in Peterborough by 2021. This total includes an assumption that the Inland Port proposal at Magna Park (Stanground) proceeds, although it is emphasised that the Council has made no decision either in favour or against the proposal at this stage. The scheme being prepared by private developers extends across the Peterborough local authority boundary, but it is all included within the Distribution and Logistics scenario as the indication from the developers is that the great majority of built development would fall within Peterborough. The results for this scenario are therefore indicative of the implications for Peterborough if that development is granted planning permission.

6.2.3 Scenario 3 – Environment Plus

This scenario has been specifically developed to test the implications of a development strategy based on growth of Peterborough's environmental cluster along with expansion of other existing clusters in the city. It is associated with the promotion of Peterborough's existing strengths in 'knowledge-based' activities, which are generally associated with higher value addition and better-paid jobs.

The rationale for job growth projections in each specific sector is discussed below, and compared with recent trends where appropriate. It is based on the following assumptions:

- **Significant growth in Peterborough's environmental cluster, with 2,500 net additional jobs by 2021.**

The job growth totals have been based predominantly on UK CEED's work on sizing the city's environmental sector and its recent work for DTI assessing market growth rates through to 2015 for Environmental Goods and Services (EGS). The current total of 5,000 jobs, estimated by UK CEED, is assumed to grow in line with the EGS market growth, after taking productivity gains (which tend to reduce employment over time) into account. Based on discussions with UK CEED about the composition of the cluster, it is assumed that 80% of this growth will be in activities that fall within the broad category of business services, and 20% in advanced manufacturing activities. Allowance has also been made for trend growth in these categories, in order to avoid double-counting.

According to unpublished cluster analysis undertaken by UK CEED, employment in Peterborough's environmental sector rose from 4,500 in 2001 to 5,000 in 2006, representing an average annual employment growth of 2.1%, twice as fast as the rate for the economy as a whole. The 2,500 net additional jobs would represent an increase in this growth rate to 2.7% per year. While this is a significant increase, it appears reasonable as the basis of the scenario, given the existence of a number of credible drivers, including Peterborough's aspiration to establish itself as a nationally-recognised centre for environmental industries, the innovation centre and university projects, existence of a specialist labour pool and other agglomeration economies.

- **Strong growth in financial services activities, with 1,000 net additional jobs by 2021.**

Peterborough has experienced significant job losses in financial services in recent years, including the large-scale redundancies from Pearl Assurance in the early 2000s. There has nonetheless been rapid growth in other areas of financial services with non-life insurance employment (e.g. Budget Insurance and others) growing by more than 1,200 jobs between 2001 and 2005. The net additional 1,000 jobs is a reasonable assumption in the light of this recent history, as well as expected improvements to Peterborough as a business location, including high quality office development (e.g. the Station Quarter), significantly cheaper housing costs than the rest of the South East and an overall improved urban environment and image for the city.

This would represent a change in Peterborough's recent record in financial services, but is plausible given the success of similar-sized cities in the greater South East with a similar travel time to London in attracting a mix of financial services functions (such as Wokingham with 11% annual growth in financial services employment between 2001 and 2005; Bracknell with 6% annual growth; and Winchester with 2%).

- **Modest growth in the Media, Printing and Publishing cluster, with 500 net additional jobs by 2021.**

Peterborough does have an established Media, Printing and Publishing cluster, with the main operations of FTSE 250-listed Emap providing a major anchor and catalyst for the emergence of a supply chain and associated businesses. Nonetheless, printing has declined rapidly in employment terms in recent years while publishing operations have also shed some employment. In light of this context, it is assumed that while some job creation comes from expansion of existing firms, the balance of any job growth is likely to come from inward investment. The 500 additional jobs figure appears plausible given the existence of a labour force with specialist skills, a local supply chain, provision of high quality office space (e.g. through the Station Quarter re-development), targeted inward investment marketing efforts and a generally improved urban environment.

6.2.4 <u>Scenario 4 - Environment Plus – 'Jobs-Led'</u>

This scenario, in terms of the assumptions about the growth of basic jobs, is the same as the Environment Plus scenario, but it is 'jobs led' and therefore does not assume that housing growth up to the RSS target level takes place. Rather the assumption is that population grows only in response to growth in jobs. More specifically, it is assumed that when jobs rise to a level that implies an increase in net in-commuting to Peterborough, the response is an increase in migration, not an increase in commuting. The absolute level of net commuting is limited to that of 2001. The 2001 level of net in-commuting is high, at about 17,000, which reflects the fact that Peterborough's travel to work area extends well beyond the local authority boundary. It is assumed that any rise above this absolute level would reflect a significant tightening of the labour market that would stimulate additional migration. By the same token, it assumes that housing led growth at a higher level, where migration occurs ahead of the jobs, does not occur, and that the 2001 balance in the labour market represents approximately an equilibrium.

6.2.5 <u>Scenario 5 - Going for Growth</u>

This scenario combines the outputs of all the previous scenarios, and therefore incorporates the assumptions about above-baseline employment growth associated with the Distribution and Logistics and Environment Plus scenarios. It assumes in effect, that the policies and actions necessary to support the Environment Plus scenarios are implemented, and also that permission is granted for all future logistics / distribution projects such that the sector grows without being restricted by planning policy.

6.2.6 <u>Sectors not contributing to basic growth in these scenarios</u>

It is important to note that there are other clusters and projects in the city that do not figure in the scenarios described above. The reasons for this can be summarised as follows:

- **Food and Drink -** Employment in the Food and Drink cluster has been stable in recent years. Discussions with Food East do not suggest that there are significant reasons for employment in the cluster to depart from the trend identified by the 2004 Experian employment forecast used for the Baseline Scenario.

- **Advanced Manufacturing -** No employment growth beyond that associated with the expansion of the environmental goods market is associated with Peterborough's advanced manufacturing cluster. This is consistent with overall decline in employment in manufacturing, even in the context of jobs growth in some higher value or niche areas. It is also consistent with the fact that major manufacturing investment projects (e.g. Perkins Engines' new £30 million crankshaft facility) are not expected to create significant numbers of jobs.

- **Public Sector -** Some growth in the education sector has been factored into the Environment Plus model as described above. Public sector health related employment associated with the new Edith Cavell hospital is not expected to make a significant additional contribution to employment because the development will replace the two existing hospitals. Given the potential for rationalisation of employment from this merger, it seems unlikely that the hospital redevelopment will significantly expand employment in this area. Significant impacts on employment from relocation of civil service activities from London (driven by the Lyons Review recommendations) have also not been included, as discussions with stakeholders suggest that these are unlikely because Peterborough is considered to lie within the greater South East area.

6.3 Adoption of a Preferred Scenario

Scenario 3 – Environment Plus was adopted as the preferred option for meeting aspirations for transformation of the city in accordance with the Regional Spatial Strategy, following stakeholder and public consultation on five alternative scenarios as part of the consideration of options for the Peterborough Core Strategy (and through the work of the Integrated Growth Study).

It is recognised that the Environment Plus scenario is aspirational. It is unlikely to occur simply as a result of stating it in plans, by restricting the elements of growth that do not form part of it, or allocating the land in plans to accommodate it. The current property market situation is not supportive of its achievement (though this reflects current perceptions which do not generally take the long-term strategic view, in spite of on-going, long-term property developments) and may not be wholly convinced of the RSS targets. Intervention will be needed to transform these perceptions of Peterborough as a business location, as a place to live and a place to develop and invest in property.

Reasons for rejecting the other scenarios are as follows:

- Scenario 4 - Environment Plus Jobs Led does not generate the RSS housing target and is therefore ruled out as a basis for the Peterborough Core Strategy.
- Scenario 1 - Housing Led Baseline reaches the RSS targets, but has housing delivery risks compared with the others, given the lower jobs growth as an attraction to additional migration and support for the housing market. It also has the least increase in high-end jobs.
- Scenario 2 - Distribution and Logistics involves exceeding the already very large commitment to increasing land supply for this use (specifically, the 48 hectare / 170,000 square metres Gateway Peterborough development, which has received outline planning permission, and the 68,000 square metres Kingston Park Phase 2 and Phase 3 development, which also has planning permission) and long-term demand may not be sufficient, although demand is currently strong for distribution uses. It also does little to boost high-end jobs compared with the environment plus scenarios and so does not particularly contribute to economic aspirations.
- Scenario 5 – Going for Growth greatly exceeds the jobs target, and brings with it some of the risks and disadvantages of Scenario 2. The overall level of growth also looks relatively implausible in relation to past achievements.

6.4 Overview of Method for Converting Employment Forecasts into Floorspace and Land Requirements

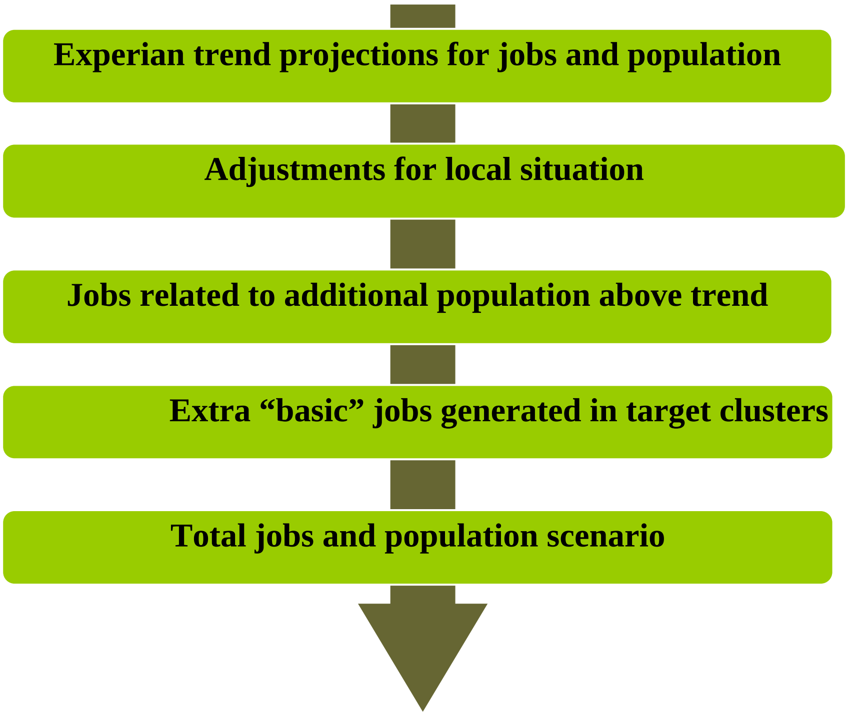
The next step in the process is to translate the employment scenarios into employment land requirements, split into the land use classes B1, B2 and B8, as well as non-B land use classes. Employment totals for different sectors within each scenario are then allocated to land use classes, with employment density and plot ratio assumptions made for different types of activities, in order to derive overall projections of future floorspace and employment land requirements. Reference has been made to economic data and to recent trends in land and property markets, in order to tie the assumptions underlying the projections as closely as possible to observed drivers of change in Peterborough's economy.

It needs to be pointed out that it is recognised in both the ODPM and Roger Tym & Partners guidance that there are inherent assumptions and limitations in projections of employment land requirements. It is therefore important to focus on the broad scale of change, rather than treating individual results as a precise forecast. The specific steps undertaken for each stage and assumptions associated with them can now be described in more detail.

6.5 Building of Scenarios for Jobs

Scenarios are not forecasts; they are intended as plausible descriptions of possible alternative futures, which are interpreted in quantitative terms. The projected numbers should be treated as broad indications of scale and the relativities between scenarios. The broad method for constructing scenarios is set out in Figure 6.1. The starting point in the building of scenarios is the existing available employment projections. We have used a long-range employment forecast to provide the core of the overall employment land model, in line with ODPM guidance, using Experian BSL's 2004 'Business as Usual' (i.e. trend) employment forecast for Peterborough. As described in section 3.2 above, other projections based on different assumptions were produced by both Experian BSL and Cambridge Econometrics, but have not been adopted for use in this study. Having adopted the Experian BSL 2004 Business as Usual projection as the basis for the model, the next step is to adjust this for local circumstances. This is because the Experian projections are essentially stepped down from regional projections, reflecting local past performance, and do not reflect local change circumstance such as major new investments.

Figure 6.1: Construction of Scenarios



The next step is to take account of local population related services that would arise from population growth above trend in areas like health, education, retail and personal services. Experian assumes a projected level of trend population growth, and material departure from that would result in changes to service employment. The rate of employment in relation to population has been derived from the projections for Peterborough cross checked against data from comparable areas, and is a figure of approximately 250 jobs per 1,000 population. The population implied by levels of housing increase are based on the regional demographic projections produced by Anglia Ruskin University using the ‘Chelmer’ model for LADs in the Eastern Region, using the latest 2007 edition and an earlier set for the zero net migration (roughly equivalent to natural increase) which was not in the 2007 set. These projections have been used to provide all the demographic parameters needed to estimate economically active population, average household size and others required for modelling the scenarios. Details are included in Appendix 4 of the Economic Scenarios Report for the Peterborough Integrated Growth Study.

The next step is to add additional basic jobs, i.e. those related to goods and services supplied to the rest of the world. These are based on judgements about the growth potential over and above that already built in the adjusted trend projection, given support and intervention that is possible in a number of key clusters, and reflecting the available research, evidence and consultation related to these. The jobs in these clusters are then added sector by sector. The detail of the potential of these clusters is discussed in the sections above dealing with particular scenarios.

This then leads to a scenario for total and additional jobs, additional dwellings and population. The model developed calculates the occupational structure, assuming England and Wales averages for each sector derived from the 2001 census, and so reflects the implied structural change in occupations. It should be borne in mind that this would be an improvement of Peterborough’s 2001 position in terms of the representation of higher level occupations (i.e. managerial, professional, technical and skilled craft).

6.6 Method for Translating Forecasts into Land Use Requirements

The following steps were taken to translate sector employment forecasts into land use requirements within different use classes. Five different economic scenarios for the city were produced, as described above. These are based on the 30 sectors used by Experian's 2004 forecast which correspond broadly to 2 digit SIC classifications.

Employment totals for each of these 30 sectors were then allocated to a land use class, as described in Table 6.1 below. This follows the approach set out in the (draft) East of England Employment Land Review and Guidance. This approach allocates detailed four digit SIC sectors to B uses according to the allocations set out in the draft report Table A2 (reproduced below). The four digit data for Peterborough for 2005 from the ABI has been reconciled to the 30 sectors used by Experian and the resulting percentage allocation of employment in each sector to B1, B2 and B8 derived. A slightly different approach has been adopted in the case of financial and business services, where the proportion allocated to offices by this method has been reduced to take account of the activities which would occupy A2 Financial and Professional Services.
In undertaking this conversion from sectors, it is important to note that not all employment takes place on employment land, which is predominantly for the B use classes and a few sui generis uses. Many or most of the jobs in some sectors are on other kinds of land, e.g. shops and A2 financial and professional offices, hospitals and clinics, schools, leisure and entertainment facilities etc. This is accounted for in the table by the fact that some sectors do not sum to 100%, with the implication that the remaining employment takes place on land classified within a non-B land use class.

Details of employment forecasts for each scenario for the period 2001 – 2021 are included in Appendix A.

Table A2 Proposed Definition of Employment Land Uses

Industrial Sectors	SIC (1992)	Activities
Manufacturing	15.11-37.20 (ex publishing, 22.11-22.15)	▪ Includes all manufacturing, including recycling, but excludes publishing)
Some Construction	45.3-45.4	▪ Electricians ▪ Plumbing ▪ Other building installation ▪ Plastering ▪ Joinery installation ▪ Floor and wall covering ▪ Painting and glazing ▪ Other building completion
Motor Vehicle Activities	50.20, 50.40	▪ Maintenance and repair of motor vehicles ▪ Sale, maintenance and repair of motor cycles and related parts and
Sewage and Refuse Disposal	90.00	▪ Sewage and refuse disposal, ▪ Sanitation and similar activities.
Labour Recruitment and Provision of Personnel (part)[11]	74.5	▪ Labour recruitment and provision of personnel
Warehousing Sectors	**SIC (1992)**	**Activities**
Wholesale	51.11-51.70	▪ Wholesale on a fee contract basis ▪ Wholesale of goods
Freight Transport by Road	60.24	
Cargo Handling	63.11	
Storage and Warehousing	63.12	
Other Supporting Land Transport Activities	63.21	
Post and Courier Activities	64.11-64.12	
Packaging Activities	74.82	▪ Packaging activities
Labour Recruitment and Provision of Personnel (part)	74.5	
Office Sectors (including R&D)	**SIC (1992)**	**Activities**
Some Other Business Activities	74.60, 74.83, 74.84, 74.1, 74.2, 74.3, 74.4	▪ Investigation and security activities ▪ Secretarial and translation activities ▪ Other business activities nec ▪ Accounting/bookkeeping activities etc ▪ Architectural/engineering activities etc ▪ Technical testing and analysis ▪ Advertising
Office Sectors (continued) Some Social and Personal Service Activities	91.11, 91.12, 91.20, 91.32, 91.33, 92.11, 92.12, 91.20, 91.32, 91.33, 92.11, 92.12, 92.20, 92.40	▪ Activities: business/employers orgs ▪ Activities of professional orgs ▪ Activities of trade unions ▪ Activities of political orgs ▪ Activities other membership orgs ▪ Motion picture and video production ▪ Motion picture and video distribution ▪ Radio and television activities ▪ News agency activities
Administration of the State	75.1, 75.3	▪ Administration of the State and the economic and social policy of the community ▪ Compulsory social services activities
Publishing	22.1	
Financial intermediation	65, 66, 67	▪ Financial intermediation, except insurance and pension funding ▪ Insurance and pension funding, except compulsory social security ▪ Activities auxiliary to financial intermediation
Real Estate and Business activities	70, 72, 73	▪ Real estate activities ▪ Computer and related activities ▪ Research and development
Labour Recruitment and Provision of Personnel (part)	74.5	

[11] Labour Recruitment and Provision of Personnel covers all the workers employed through agencies. These workers operate in a wide range of activities throughout the economy. Therefore, we allocate them to industrial, warehouse, office and non-B sectors in proportion to their shares in Crawley's total employment.

Table 6.1: Conversion of Industrial Sectors to Use Classes

Sector	B1	B2	B8	Total
Agriculture, Forestry & Fishing	0%	0%	0%	0%
Oil & Gas Extraction	N/A	N/A	N/A	N/A
Other Mining	N/A	N/A	N/A	N/A
Gas, Electricity & Water	0%	0%	0%	50%
Fuel Refining	N/A	N/A	N/A	N/A
Chemicals	0%	100%	0%	100%
Minerals	0%	100%	0%	100%
Metals	0%	100%	0%	100%
Machinery & Equipment	0%	100%	0%	100%
Electrical & Optical Equipment	0%	100%	0%	100%
Transport Equipment	0%	100%	0%	100%
Food, Drink & Tobacco	0%	100%	0%	100%
Textiles & Clothing	0%	100%	0%	100%
Wood & Wood Products	0%	100%	0%	100%
Paper, Printing & Publishing	0%	100%	0%	100%
Rubber & Plastics	0%	100%	0%	100%
Other Manufacturing	0%	100%	0%	100%
Construction	0%	51%	0%	51%
Retailing	0%	0%	0%	0%
Wholesaling	0%	0%	100%	100%
Hotels & Catering	0%	0%	0%	0%
Transport	0%	0%	63%	63%
Communications	45%	0%	55%	100%
Banking & Insurance	90%	0%	0%	90%
Business Services	50%	4%	3%	57%
Other F&Bs	50%	0%	12%	62%
Public Admin. & Defence	75%	0%	0%	75%
Education	0%	0%	0%	0%
Health	0%	0%	0%	0%
Other	19%	0%	2%	21%

The next step applied employment densities to the overall totals in order to assess gross floorspace requirements for each Use Class, as shown in Table 6.2 below. In terms of office and industrial space, the employment densities are equal to the recommended densities in the English Partnerships (EP) guidance[1] for ‘general purpose built offices’ and ‘general industrial buildings’.

The densities in the EP guidance strictly relate to employment places, which is broadly equivalent to full time equivalent (FTE) jobs rather than total jobs which the employment scenarios use. When applied to the total employment figures, therefore there is some over-estimation or margin built into the results. This is estimated to be up to 15% in the offices, 10% in transport and 3% in industrial uses.

In relation to B8 warehousing, we have adopted a density of 90 square metres per employee, which is higher than the 80 square metres per employee high bay warehouses identified in the EP guidance. This density is in line with more recent large-scale developments of the type that have recently predominated in Peterborough (e.g. Tesco, Ikea, Debenhams, Gateway Peterborough) and is therefore likely to provide a more accurate estimate of overall B8 land requirements. It is

[1] English Partnerships (2001) *Employment Densities: A Full Guide*

also in line with assumptions adopted in the 2005 *Pathways to Prosperity* economic development strategy[2] which used the same figure.

Table 6.2: Employment Densities

Land Use Class	Employment Density
B1 Office	19 square metres per worker (gross internal floorspace)
B2 General Industry	34 square metres per worker (gross internal floorspace)
B8 Warehousing	90 square metres per worker (gross internal floorspace)

Details of resulting forecast floorspace requirements for each scenario at 5 yearly intervals are included in Appendix B.

6.7 Plot Ratios

To estimate the land quantum required, it is necessary to apply assumptions regarding plot ratios for future developments. A standard plot ratio of 0.40 has been applied to the employment land scenarios for B1, B2 and B8 uses, as this is comparable to recent developments and outstanding commitments, which are predominantly in peripheral locations.

However, for B1 office space, provision of the required floorspace at higher plot ratios more appropriate to central areas could be achieved on proportionally less land, to reflect the balance of office development between town centre locations (which typically have higher plot ratios) and out of town business park locations (which typically have lower plot ratios), illustrated, for example, in Table 6.3. This reflects the findings of our property market review which suggests a bias generally (rather than specifically in Peterborough) towards town centre office development in recent years, along with the fact that the balance of future office development will be strongly influenced by the Station Quarter development, and a policy approach in all spatial options considered for the Core Strategy which seek intensification in the inner urban area.

Table 6.3: Plot Ratios for B1 Office Developments

	% split of office floorspace	Plot ratio	% split of land required
Business park	25%	0.4	45%
Town centre	75%	1	55%

Plot ratios assumed then translate floorspace to net land requirements. The equivalent gross land requirements, which include an allowance for internal roads, footpaths and cycle paths, open space, and miscellaneous space such as sub-stations and ancillary facilities that form part of the relevant development, are estimated assuming net land areas are 75% of gross land areas. Plot ratios may vary in practice according to the spatial distribution of employment in options and the context of areas of development. Some options may involve higher plot ratios for offices in particular, for example in the city centre and district centres. In these cases, the land area required would reduce accordingly. No vacancy rate is applied and it will be necessary to build in an allowance for a suitable vacancy rate in land allocations.

Full details of the resulting requirements for B space land at 5 year intervals for each scenario are included in Appendix C.

[2] Shared Intelligence (2005) *Peterborough Pathways to Prosperity: Economic Development Programme*

6.8 Summary of Scenario Results: Change in Employment

The results of the scenarios, in terms of employment change, total increase in floorspace required and gross land required between 2001 and 2021, are presented in the tables below.

The estimates of floorspace and land represent a translation of the projections of the net change in job numbers into floorspace and land. When referring to land, gross areas refer to land areas including an allowance for internal roads, open space etc. and net areas refer to the net site areas for development which excludes such items.

Table 6.4: Total employment increase 2001 - 2021 (Employee jobs)

Scenario	Jobs in 2001	Change in Jobs 2001-21
Scenario 1 – Housing Led Baseline	93,255	20,950
Scenario 2 – Distribution & Logistics	93,255	23,650
Scenario 3 - Environment Plus	93,255	24,560
Scenario 4 – Environment Plus Jobs Led	93,255	20,700
Scenario 5 - Going for Growth	93,255	27,260

All scenarios meet the RSS target for jobs, with Scenario 5 doing so by a large margin. Scenario 4 reaches the target without relying on housing led population related jobs.

6.9 Summary of Scenario Results: Change in Floorspace Requirements

Table 6.5: Floorspace (gross internal square metres) - Total Change 2001 – 2021

Scenario	Total	B1	B2	B8
Scenario 1 - Housing Led Baseline	411,986	144,250	- 130,569	398,305
Scenario 2 - Distribution & Logistics	654,986	144,250	- 130,569	641,305
Scenario 3 - Environment Plus	480,454	182,403	-104,530	402,580
Scenario 4 - Environment Plus Jobs Led	360,828	168,377	- 116,887	309,338
Scenario 5 - Going for Growth	723,454	182,403	- 104,530	645,580
2001 Level	1,853,000	399,000 (offices)	703,000 (factories)	751,000 (warehouses)

Note: 2001 levels are derived from Valuation Office floorspace statistics for 2001

The levels of growth imply a very large increase in floorspace in all scenarios. The scenarios involving the environment and other key clusters show the highest increase in B1 floorspace and indicate an increase of about 50% on the existing stock. The B2 changes are all negative, reflecting a projected decline in jobs. However these may not actually be reflected in releases of floorspace, for example, where companies continue to operate with smaller workforces. The growth in B8 is naturally greatest in the scenarios which involve a distribution emphasis and generate a more than 50% increase over the 2001 level.

6.10 Summary of Scenario Results: Change in Land Requirements

Table 6.6: Gross land demand (hectares) - Total Change 2001 – 2021

Scenario	Total	B1	B2	B8
Scenario 1 – Housing Led Baseline	137	48	-44	133
Scenario 2 – Distribution & Logistics	218	48	-44	214
Scenario 3 - Environment Plus	160	61	-35	134
Scenario 4 – Environment Plus Jobs Led	120	56	-39	103
Scenario 5 - Going for Growth	241	61	-35	215

Note: 2001 level not available. The gross land area refers to the land including allowance for internal roads etc. rather than the net site area.

6.11 Preferred Scenario: Floorspace Requirements

The gross floorspace requirements by five year period under the preferred scenario (Scenario 3) are as follows:

Table 6.7: Preferred Scenario: Floorspace Requirements

Absolute change over previous 5 years	Total	B1	B2	B8
2006	27,443	2,768	- 39,243	63,918
2011	268,055	66,549	2,977	198,529
2016	146,947	57,938	- 35,067	124,076
2021	38,008	55,148	- 33,197	16,057
Total	**480,454**	**182,403**	**- 104,530**	**402,580**

6.12 Preferred Scenario: Land Requirements

The gross (i.e. inclusive of an allowance for internal roads etc.) and net (i.e. net site area) land requirements by five year period under the preferred scenario (Scenario 3) are as follows:

Table 6.8: Preferred Scenario Land Requirements

Absolute change over previous 5 years	Total		B1		B2		B8	
	Net land demand	Gross land demand	Net land demand	Gross land demand	Net land demand	Gross land demand	Net land demand	Gross land demand
2006	7	9	1	1	- 10	- 13	16	21
2011	67	89	17	22	1	1	50	66
2016	37	49	14	19	- 9	- 12	31	41
2021	9	13	14	18	- 8	- 11	4	5
Total	120	160	45	61	- 26	- 35	101	134

6.13 Implications for Land Requirements

The above land and floorspace figures represent a simple translation of the employment scenarios into land for the period 2001 to 2021, which includes development that has already occurred since 2001. A number of further factors need to be considered to determine the amount of land that should be planned for, and these are discussed below.

Vacancy and churn – In principle, there needs to be allowance for space that is in the process of development or letting. Recent vacancy figures give averages for all uses of 6 to 8 percent (see Table 4.2 above). As a significant margin is already built into the estimates because total employment rather than FTE employment is used with employment densities (see paragraph 6.6 above), this is considered adequate to allow for vacancy in the growing office and B8 uses. The in-built margin for industrial space may be lower but this use is projected to decline. Hence the overall allowance built in for combined B2/B8 uses should be adequate.

Choice – It is important that occupiers should have available a choice of sites especially if the aim is to attract inward investors who will be looking at competing sites in other areas. However, the East of England Employment Land Review Guidance advises that there is no need to allow additional land for this purpose as at any one time there will be some five to ten years supply of land available (with further additions if necessary in further iterations of this exercise) which should provide sufficient choice.

Uncertainty over employment figures – Given the uncertainty over growth since 2001 (discussed in paragraph 3.2.1), and the strong local view that it has been higher than the official data from different sources taken together suggest, the growth in land requirements in the period from 2001, which is part of the overall requirement to be estimated for the relevant period 2001 to 2021, may be underestimated and it is recommended to allow a generous margin for this. It is suggested that a 20% margin is applied across the board (in the case of B2, a 20% reduction in the decline projected). This is a judgement based on the scale of job growth since 2001, based on the ABI data (see paragraph 3.2.1), which is the data series showing the highest growth. This 20% margin would be equivalent to growth of over 5,000 extra total (B and non-B) jobs between 2001 and the present. This margin would also ensure that, given the growth aspiration of Peterborough, there is no constraint that would limit employment growth unnecessarily and can also cater for other uncertainties.

It should always be borne in mind that estimates of future land requirements of this kind are subject to very significant uncertainties, due to inadequate or sometimes inaccurate base data, the weaknesses inherent in the standard methods used, and the uncertainties of long-term forecasting. The results are therefore no more than a broad guide.

The land requirements for B1 (offices) in particular assume a certain plot ratio mix (with 75% in urban locations at an average plot ratio of 1 and the remainder at an average plot ratio of 0.4). It is probably more appropriate to plan on the basis of floorspace rather than land, reflecting the density envisaged in any given spatial option, so that the land take would vary according to the density that policy in that option seeks to achieve. For example, if development in the city centre was planned at an average plot ratio of 2, only half the city centre land would be required.

Estimated land requirements are based on allocation of substantial areas of land normally on the periphery of the urban area, that will require some internal roads and ancillary uses to be deducted to give the actual developable sites, which are assumed to account for an average of 75% of the gross area. In the case where land that is actually available is in the form of net sites that do not require this, the land requirement can be reduced accordingly, i.e. the site area required would only be 75% of the gross hectares required.

The jobs-based projections for B2 show a decline due to the decline in manufacturing employment. Not all of this may be released for alternative uses if employment decline occurs within firms that remain in operation, with falls in employment density. Land that is released can probably be redeveloped for B8 uses, or in some cases for B1, housing or other uses. There will also be requirements for new B2 space, which need to be catered for irrespective of the decline through redevelopment or on new land. It is therefore probably sensible to consider B2 and B8 land as interchangeable.

The proposed land requirements for the preferred scenario, taking these factors into account, are summarised in the table below.

Table 6.9: Proposed Overall Land Requirement for the Preferred Scenario, 2001 to 2021

	Net all uses (ha gross)	B1 (ha gross)	B2 (ha gross)	B8 (ha gross)	Net B2 and B8 (ha gross)
Basic projected land requirement	160	61	-35	134	99
20% margin for uncertainty	46	12	7	27	34
Total proposed requirement	206	73	-28	161	133

Note: The gross land area refers to the land including an allowance for internal roads etc. rather than the net site area

From Table 6.9 above, it can be seen that the overall estimated area of land needed to meet the forecast increase in jobs in the B use classes, between 2001 and 2021 is 206 hectares.

To establish the overall outstanding requirement from 2007 onwards, it is necessary to deduct land developed for employment purposes since 2001 and land under construction at 31 March 2007, and add an allowance for estimated future gross losses. This is set out in Table 6.10, which demonstrates that the resulting overall amount of employment land needed to be found up to 2021 is 198.2 hectares.

Table 6.10 Employment land requirement

	Total Employment Land Requirement (2001-2021)	Gross site area (hectares)	
1	Total amount of net additional employment land that needs to be developed and occupied between 2001 and 2021 to accommodate projected jobs in Preferred Employment Scenario (Environment Plus)	206	
	Net Gain in Employment Land (2001-2007)		
2	Gain in Employment Land (2001-2007)	145.8	
3	Amount of employment land lost to other forms of development	72.2	
4	Amount of land under construction for employment development at 31 March 2007	17.4	
5	Net change increase to the stock of employment land	91	i.e. 2 - 3 + 4
	Future Net Employment Land Requirement (2007-2021)		
6	Estimated net additional amount that needs to be developed and occupied from 2007 to 2021	115	i.e. 1 – 5
7	Estimated future gross losses (@ past average rate of 6.4 hectares per annum over 13 years)	83.2 approx	
8	**Overall amount of land to find 2007 -2021**	**198.2**	**i.e. 6+7**

CHAPTER 7: SUPPLY AND MARKET BALANCE

The purpose of this chapter is to establish whether the potential overall supply of employment land set out in Chapter 5 is sufficient to meet the overall outstanding requirement based on preferred scenario 3 – Environment Plus, as set out in Chapter 6.

7.1 Vacancy Rates for Employment Premises

An assessment of vacancy rates in Peterborough District can be a useful tool in providing an overview of recent market demand. Table 4.2 (in Chapter 4) presented vacancy rates (by floorspace) over the period 1998/9 to 2004/5 for commercial and industrial property in Peterborough, in comparison with England and the East of England.

These are taken from the DCLG (formerly the ODPM) July 2006 report titled *Commercial and Industrial Property Estimated Vacancy Statistics: England, 2004/05.* They are estimated vacancy rates and they should be used with caution, as they may not reflect actual vacancy rates in Peterborough. The downside of the DCLG data is that it gives a single annual percentage figure for all the use classes combined.

The table shows that vacancy rates in Peterborough are marginally lower than the national and regional averages. Since 2000/01, Peterborough's vacancy rates have been below the national average figure. Vacancy rates were at their lowest in 2001/02 with a record of 6%, since when they have slightly increased.

The figures demonstrate that Peterborough does not have a serious commercial/industrial vacancy problem. The Peterborough vacancy rates allow for some turnover and property choice in the market place. It is concluded that the level of vacancy rates should not affect decisions on the scale of allocations of new sites needed for employment development.

7.2 Comparing Supply and Demand

From Table 5.12, it can be seen that at 31 March 2007, the existing Local Plan employment allocations (both with and without permission) and Opportunity Areas that are recommended for retention amounted to 104.58 hectares of employment land. A further 3.94 hectares of land had planning permission outside any of these locations, and the favourable potential new sites are capable of delivering 134.43 hectares of employment land. Thus the potential overall supply is calculated as being 256.15 hectares.

This potential overall supply comfortably exceeds the overall outstanding requirement based on preferred scenario 3 – Environment Plus of 198.2 hectares (from Table 6.10). The excess represents another four years' worth of supply and so, in effect, would enable supply up to 2025, including the 20% additional margin for uncertainty.

On the basis purely of past trends, and taking into account those sites under construction at 31 March 2007, Peterborough would require between approximately 214.7 hectares (long-term trend) and 281.9 hectares (short-term trend) of employment land over the period 2007 to 2021 (from paragraph 5.2 above). The potential overall supply of 256.15 hectares sits above the mid-point of this range.

This supply/demand relationship needs to be viewed in the context of whether the quality of sites on offer is what the market requires; and also in the context of the time frame for bringing these sites forward.

7.3 Class B1 Business

For B1 business uses, the identified potential land supply of 105.2 hectares (from Table 5.12) is comfortably more than the required gross total for the preferred scenario, even when a 20% allowance for uncertainty is included (Table 6.9); and ignoring any B1 development that has taken place between 2001 and 2007. Indeed, the identified potential land supply is more than would be required under any other of the possible economic development scenarios.

Out of the total supply of land for business use identified in Table 5.12, about 58.67 hectares is regarded as being available from now (2007) onwards. The remainder (46.53 hectares) comprises some large sites with planning permission where there is a lead-in time and new sites which would only be available for development from 2010 when the Site Allocations DPD is programmed to be adopted.

7.4 Class B2 General Industry

The identified amount of potential B2 general industrial land (19.03 hectares) is more than the land requirement under the preferred scenario, which envisages an overall loss of land for this type of use. Again, there would be sufficient potential land under any other of the possible economic development scenarios. All the sites identified as potentially suitable for B2 use are immediately available for development.

7.5 Class B8 Warehousing/Distribution

The potential land supply for B8 warehousing/distribution (131.92 hectares) appears to be slightly below what is forecast to be required under the preferred scenario (Table 6.9). However, once B8 development that has already taken place between 2001 and 2007 is taken into account, the outstanding potential supply is sufficient. In any event, it is noted in paragraph 6.13 above that it would be reasonable to consider B2 and B8 land together, and Table 6.9 reveals that the overall requirement for land for these two use classes combined would be 133 hectares, including the 20% allowance for uncertainty. The potential supply of land for these use classes combined (19.03 plus 131.92 hectares) is 150.95 hectares, which exceeds the combined requirement by a comfortable margin.

Approximately one third of the B8 land is immediately available for development, the great majority of which comprises sites allocated in the current Local Plan. The remainder comprises the Alwalton Hill site, which already has outline permission for B8 development, and will be available as soon as infrastructure is in place; and two other large sites which would only be available for development from 2010 when the Site Allocations DPD is programmed to be adopted.

7.6 Sites for the Next Five Years

It can be seen from Table 5.12 that some 121.72 hectares of employment land is available for immediate development, from 2007. Even if land is taken up at an annual rate equivalent to the highest past trend (the short-term trend of 21.8 hectares per year), in each of the next five years, this would be more than sufficient to last for those five years.

However, the land required under the preferred scenario does not imply take-up at rates as high as this. Table 6.10 demonstrates that an overall quantum of 198.2 hectares would need to be found over a 14 year period (2007 to 2021), which averages out at around 14.2 hectares per year. The land that is immediately available is more than capable of matching this need over the next five years, in purely quantitative terms.

7.7 Quality of sites

For B1 (business use), there appears to be a wide range of sites, in different locations and of varying sizes. This includes sites in the city centre (within the Opportunity Areas) as well as sites towards the fringe of the urban area. The review of the land and property market in Chapter 4 emphasises the importance of sites in a range of locations with the flexibility to respond to changing market circumstances, and with scope to provide units of different sizes, including a likely focus on units in the size range 1,000 sq metres to 5,000 sq metres floorspace. The range of B1 business sites identified in this Employment Land Review appears capable of delivering this.

The portfolio of identified sites for general industrial and warehousing/distribution development includes sites ranging in size from less than 1 hectare to almost 40 hectares, with a mix of locations, including sites in existing established employment areas and new sites on the edge of the city. The majority of these have good access to Peterborough's dual carriageway parkway system and some are particularly well placed in relation to the A1(M). Most sites are relatively flat and of straightforward configuration; and although some have constraints, none of these would appear to be so severe as to inhibit viable development, given reasonably favourable market conditions.

7.8 Summary of Demand and Supply Balance

In general, it is clear that the combination of existing sites recommended for retention (existing permissions, allocations without permission and Opportunity Areas) and the favourable potential new sites is more than sufficient to meet the land requirements of the preferred economic development scenario, across each of the B use classes.

Most of the potential new sites are likely to be available from 2010, when it is anticipated that the Site Allocations DPD would be adopted. The extent of the land that might come from all of the potential sites gives the Council a degree of flexibility when it comes to reaching decisions on the actual allocation of sites in this Site Allocations DPD. At that stage there will be need for a more detailed investigation of the advantages and disadvantages of each of the nominated sites, along with any others that might emerge in the intervening period. Account will also have to be taken of the spatial strategy for the expansion of Peterborough, as expressed in the Core Strategy (timetabled to be adopted in 2009).

STAGE C: CONCLUSIONS AND RECOMMENDATIONS (A NEW PORTFOLIO)

CHAPTER 8: CONCLUSIONS AND RECOMMENDATIONS

Based on the findings in Chapters 3 to 7 of this report, a series of conclusions and recommendations are presented. The conclusions draw together the key findings of the study, with particular attention to the relationship between the demand for and supply of employment land in Peterborough up to 2021.

It is not the role of this study to make formal recommendations regarding the allocation of individual sites. This will be undertaken through the statutory planning process in the form a Site Allocations Development Plan Document, including full opportunities for public and stakeholder involvement and this may, in itself, lead to further sites being introduced for consideration. The Council's Local Development Scheme provides details on the timetable for this DPD.

8.1 Land Demand

- The key drivers of change in the Peterborough economy include demographic trends, national economic trends and specific local major projects, including the North Westgate redevelopment, the redevelopment and expansion of Edith Cavell Hospital, the University, the proposed Innovation Centre, the South Bank redevelopment and the development of the Railway Station Opportunity Area.

- Interestingly, much of the development coming forward from the above projects and sectors, namely the university and education, is unlikely to require land categorised by the planning system for B1-B8 uses. Consideration needs to be given the 'hidden' land requirements of these sectors, in relation to the land identified as suitable for B1-B8 use in this report.

- Growth is forecast in key sectors and clusters existing in Peterborough's economy, namely the environmental, financial services, media, printing and publishing, distribution and logistics and construction sectors.

- Substantial employment growth will take place in service sectors that do not require the identification and allocation of land for development within the B use classes. The amount of land that Peterborough will require for B use class development in the future depends upon the economic scenario that is adopted and pursued, and so, in part, will be policy-driven.

- The market generally seeks a choice of available sites in terms of size, location and flexibility to respond to changing market conditions.

- Calculations for the gross employment land demand over the period 2001 to 2021 range from 120 hectares to 241 hectares, depending on the employment scenario considered (Table 6.6). The preferred scenario 'Environment Plus' indicates an employment land demand of 206 hectares between 2001 and 2021, once a 20% margin for uncertainty is included (see Table 6.9).

- Once gains and losses of employment land over the period 2001 to 2007, plus the amount of land actually under construction for employment purposes on 31 March 2007, are taken into account, the outstanding requirement for employment land over the period 2007 to 2021 is calculated as being 198.2 hectares (Table 6.10).

8.2 Land Supply

- The potential supply of employment land (for B use class development) in Peterborough consists of known existing sites (allocated in the current Local Plan), including in Opportunity Areas, some of which benefit from an existing planning permission and some of which do not; and new sites which have been put forward to the Council for future consideration. All of these sites have been appraised to assess their suitability for employment development.

- The study concludes that there is a sufficient potential employment land supply in Peterborough to meet the land demand requirements to 2021, for each of the five identified employment scenarios (Table 5.12 and Table 6.6).

- The potential overall supply of employment land at 31 March 2007 is 256.15 hectares (Table 5.12). This comfortably exceeds the overall outstanding requirement based on preferred scenario 3 ‘Environment Plus’ of 198.2 hectares (Table 6.10). The excess represents another four years’ worth of supply and so, in effect, would enable supply up to 2025, including a 20% additional margin for uncertainty.

- In recent years, Peterborough has seen a substantial growth in the logistics and distribution sector, which has boosted take-up rates since 2001. The land supply identified in this report would be sufficient in quantitative terms to accommodate such continued growth if, for example, economic scenarios 2 ‘Distribution & Logistics’ or 5 ‘Going for Growth’ were pursued (Table 5.12 and Table 6.6).

- Chapter 4 clearly illustrates that development for all types of employment use (B1, B2 & B8) is likely to be viable on the fringes of Peterborough, even on previously developed land. The supply of previously developed urban fringe sites is limited and it is inevitable that consideration will have to be given to the use of greenfield sites, if the market demand for accessible sites of a suitable scale is to be met.

- The supply of office land and floorspace clearly outweighs demand. There is no indication that this supply will be taken up in the foreseeable future or duration of the plan period. Indeed, the potential over-supply may act as a disincentive to some investors. Further consideration will need to be given as to how best to utilise the office supply.

- There is a clear need to strike a balance between providing land for office development within the city centre, where demand is currently low, but there is a policy aspiration to change this; and ensuring that office development is not stifled elsewhere in the city. Outside the Opportunity Areas, there are currently limited city centre sites identified in the potential supply total.

- Chapter 4 concludes that there is likely to be a continuation of the recent level of demand for industrial and warehousing. The balance between take-up and availability of industrial and warehousing land has been reasonably well balanced, but meeting future demand will require land to be specifically designated for such uses.

8.3 Preferred Employment Scenario – Environment Plus

Scenario 3 – Environment Plus was adopted as the preferred option for meeting aspirations for transformation of the city, following stakeholder and public consultation on five alternative scenarios as part of the consideration of options for the Peterborough Core Strategy. However, it is unlikely to occur simply as a result of stating it in plans, by restricting the elements of growth that do not form part of it, or allocating the land in plans to accommodate it. Intervention will be needed to transform the perception of Peterborough as a business location, as a place to live and a place to develop and invest in property.

8.4 Policy Recommendations

In general terms, this study concludes that the total gross potential employment land supply in Peterborough is more than the projected future land requirements up to 2021. The Council, Opportunity Peterborough, the Greater Peterborough Partnership, the Peterborough Regional Economic Partnership and the East of England Development Agency will need to intervene to influence the market towards the environmental sector by encouraging more sustainable forms of development and through raising skill levels of the workforce.

There will be a need to build on Peterborough's economic potential and strengthen core growth sectors such as financial services, IT and environmental businesses, in order to realise economic growth and increased prosperity.

The study therefore recommends the following:

De-allocation of three employment sites

- Consider de-allocation of the following existing allocated employment sites (Northam Works (Eye), Station Road (Thorney) and the Oak Tree site (Bretton)) to other uses such as housing.

Consider re-designation of sites

- Consider re-designating the land use of some sites to provide a better balanced land supply. This could include widening the scope for mixed-use development as opposed to single use, B class development.

- Maintain a degree of flexibility in the designation of sites, if it is subsequently shown that they may be better suited for the university, education or health development (non B1-B8).

- If a suitable site can be found, deliver a large single site of 30 hectares plus to reflect current market demand for logistics/warehouse development.

- Vacant city centre office space which no longer meets the requirements of potential occupants should be considered for conversion, including, in particular, conversion to residential use

Function of the Site Allocations DPD

- The Site Allocations DPD should assess all the potential sites and establish the merits and de-merits of each one based on constraints, issues of sustainability and marketability and the outcome of stakeholder and public engagement.

- The Site Specific Allocations DPD should allocate a wide range of sites, in different locations, and of different sizes to cater for different market requirements and market choice.

- Whether or not any employment sites should be allocated in villages depends upon the spatial option that is adopted in the Peterborough Core Strategy. Given the lack of developer interest in village sites that have been allocated in the past, the employment needs of villages of an appropriate scale may not be best met through the allocation of land for B use classes.

Promoting the Environmental Sector

- Consider the identification of a site that would be suitable for the development of an Enviro-Science Park, supported by specific development control policies.

- Opportunity Peterborough and its partners should initiate an active promotional programme targeted at the sectors and activities emphasised in the Environment Plus scenario, as well as more broad-based promotion of Peterborough as a transformed business location.

- The East of England Development Agency should co-operate in any local promotional activity and actively consider what role it should play in promoting Peterborough as one of the regionally strategic locations in the East of England.

- Consideration should be given to specific design and construction standards associated with the office/business sector to demonstrate best environmental practice.

Attracting high value jobs

- Apart from attracting jobs within the environmental sector, Opportunity Peterborough and its partners need to create a centre of attention for high value jobs in sectors such as publishing and financial services.

University

- The City Council, Opportunity Peterborough and the Greater Peterborough Partnership should continue to work closely with Anglia Ruskin University to expedite the provision of a university in Peterborough, with a particular emphasis on business, environmental and other specialised courses related to the areas of activity of local companies.

Promoting the City Centre

- The comprehensive development of the City Centre and Opportunity Areas will need to be taken forward via the City Centre Area Action Plan. This should include positive measures to secure a greater proportion of office floorspace in the city centre.

Safeguarding future employment sites

- To ensure a continuity of supply and choice of sites for new employment development, further consideration will need to be given in the forthcoming Planning Policies DPD to the issue of preventing the loss of such land to uses such as car sales areas (which tend to require a large land area in relation to the number of jobs created).

Use of previously developed land

- All parties, including Government and the Regional Assembly, should acknowledge that the high levels of job growth expected of Peterborough, and the need for a continuous supply of well-located, readily available development land, will require the use of greenfield sites.

8.5 Recommendations for Monitoring

Employment monitoring in Peterborough is crucial as it provides a record of the potential supply of land for B1, B2 and B8 use. In addition, it gives information on office and industrial development in the District since the start of monitoring in 1986. At the regional level, local monitoring provides information that will assist in the preparation and review of the RSS.

The Peterborough City Council Strategy & Enabling Section produces an employment monitoring report annually (for the period 1 April to 31 March). These reports cover the following aspects of employment development:

- employment permissions granted, by type
- employment permissions started, by type

- employment permissions completed, by type
- permissions granted and development of sites and premises previously in employment use for non-employment uses
- employment land available
- vacancies

This study recommends that the Council should continue with the monitoring regime described above.

In addition, if resources permit, Opportunity Peterborough, the Greater Peterborough Partnership and/or the Peterborough Regional Economic Partnership should give consideration to monitoring the following:

- employment premises available and recent transactions
- employment premises enquiries
- employer requirements and aspirations (from focus groups/forums. or periodic surveys)
- job gains and losses
- skills and training programmes

Although particular importance is attached to monitoring housing delivery, it is equally important to monitor the employment needs of the changing population and take account of other initiatives to improve the education and skills of the City's residents.

Lastly, monitoring of employment land will need to be consistent with the wider requirement to measure success in achieving Community Strategy, Core Strategy and Site Allocations objectives and targets.

APPENDIX A – EMPLOYMENT FORECASTS 2001 TO 2021, BY SCENARIO

A1: Scenario 1: Housing Led Baseline Employment Totals in Thousands

HOUSING LED BASELINE	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Agriculture, Forestry & Fishing	0.74	0.73	0.75	0.70	0.67	0.65	0.63	0.62	0.61	0.59	0.58	0.57	0.56	0.55	0.53	0.51	0.49	0.47	0.45	0.43	0.40
Oil & Gas Extraction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Mining	0.07	0.11	0.09	0.09	0.09	0.09	0.09	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.07	0.07	0.07	0.07	0.07	0.06
Gas, Electricity & Water	0.19	0.17	0.17	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.15	0.15	0.15	0.15	0.15	0.15	0.14	0.14	0.14
Fuel Refining	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Chemicals	0.29	0.23	0.23	0.22	0.22	0.22	0.21	0.21	0.21	0.21	0.21	0.21	0.20	0.20	0.20	0.20	0.19	0.19	0.19	0.18	0.18
Minerals	0.31	0.28	0.30	0.34	0.34	0.35	0.34	0.34	0.33	0.30	0.28	0.27	0.26	0.25	0.25	0.25	0.25	0.24	0.23	0.22	0.22
Metals	0.78	0.70	0.69	0.68	0.65	0.63	0.61	0.59	0.56	0.53	0.50	0.48	0.46	0.44	0.43	0.41	0.39	0.36	0.33	0.31	0.28
Machinery & Equipment	6.16	6.11	6.00	5.82	5.74	5.67	5.60	5.54	5.45	5.32	5.13	4.88	4.64	4.42	4.20	4.00	3.80	3.61	3.42	3.24	3.04
Electrical & Optical Equipment	0.60	0.44	0.39	0.42	0.46	0.50	0.53	0.56	0.57	0.59	0.60	0.61	0.62	0.63	0.64	0.65	0.66	0.68	0.69	0.71	0.73
Transport Equipment	0.62	0.56	0.53	0.50	0.48	0.46	0.45	0.44	0.42	0.41	0.40	0.39	0.37	0.36	0.34	0.33	0.32	0.30	0.28	0.26	0.24
Food, Drink & Tobacco	1.27	1.28	1.26	1.24	1.23	1.24	1.27	1.27	1.27	1.27	1.27	1.27	1.27	1.26	1.25	1.25	1.24	1.23	1.22	1.21	1.20
Textiles & Clothing	0.05	0.02	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Wood & Wood Products	0.20	0.22	0.22	0.23	0.24	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24
Paper, Printing & Publishing	3.23	3.36	3.38	3.34	3.32	3.31	3.30	3.30	3.31	3.31	3.31	3.31	3.31	3.31	3.31	3.30	3.28	3.25	3.23	3.20	3.18
Rubber & Plastics	0.36	0.25	0.26	0.26	0.27	0.27	0.27	0.27	0.27	0.26	0.26	0.26	0.26	0.26	0.25	0.25	0.25	0.25	0.24	0.24	0.24
Other Manufacturing	0.32	0.30	0.23	0.18	0.12	0.08	0.08	0.07	0.07	0.07	0.07	0.07	0.07	0.06	0.06	0.06	0.05	0.04	0.02	0.01	0.00
Construction	2.77	2.93	2.86	2.98	2.97	2.94	2.92	4.18	4.12	4.06	4.01	3.97	3.94	3.91	3.89	3.87	3.83	3.77	3.72	3.67	3.62
Retailing	11.71	11.82	11.82	11.92	11.78	11.76	11.92	12.07	12.22	12.36	12.48	12.60	13.24	13.70	14.18	14.64	14.58	14.49	14.38	14.29	14.24
Wholesaling	6.90	7.11	7.10	7.22	7.35	7.55	7.88	8.22	8.54	8.87	9.19	9.52	9.85	10.18	10.22	10.24	10.23	10.19	10.15	10.12	10.09
Hotels & Catering	4.64	4.77	4.95	4.96	4.97	5.05	5.19	5.35	5.50	5.64	5.78	5.91	6.04	6.16	6.29	6.42	6.53	6.63	6.73	6.83	6.94
Transport	5.09	5.00	5.07	5.22	5.26	5.27	5.26	5.24	5.20	5.18	5.16	5.12	5.09	5.06	5.03	5.02	5.00	4.95	4.90	4.86	4.82
Communications	2.93	2.69	2.68	2.58	2.65	2.81	3.01	3.22	3.41	3.58	3.73	3.87	3.99	4.10	4.19	4.28	4.39	4.52	4.66	4.79	4.93
Banking & Insurance	7.10	6.70	6.64	6.53	6.49	6.59	6.73	6.88	6.97	7.07	7.19	7.27	7.33	7.39	7.42	7.46	7.52	7.56	7.61	7.66	7.71
Business Services	12.58	12.61	12.33	12.51	12.81	13.31	13.96	14.63	15.24	15.81	16.35	16.88	17.37	17.83	18.26	18.67	19.10	19.53	19.97	20.45	20.91
Other F&Bs	2.02	1.90	1.97	1.93	1.90	1.89	1.90	1.91	1.93	1.95	1.96	1.98	1.99	2.00	2.02	2.03	2.04	2.03	2.02	2.02	2.02
Public Admin. & Defence	3.68	3.52	3.60	3.64	3.62	3.60	3.59	3.57	3.57	3.55	3.53	3.50	3.47	3.44	3.41	3.38	3.34	3.30	3.25	3.21	3.17
Education	6.01	5.85	6.01	6.19	6.30	6.38	6.52	6.66	6.80	6.93	7.07	7.22	7.35	7.48	7.63	7.76	7.89	7.99	8.10	8.22	8.34
Health	8.54	8.04	8.25	8.38	8.54	8.63	8.80	8.93	9.04	9.15	9.28	9.42	9.55	9.68	9.82	9.96	10.07	10.16	10.25	10.34	10.45
Other	4.10	4.24	4.13	4.16	4.30	4.41	4.57	4.72	4.88	5.05	5.21	5.38	5.54	5.73	5.91	6.09	6.25	6.39	6.53	6.67	6.82
Total Employment	**93.26**	**91.94**	**91.90**	**92.41**	**92.95**	**94.06**	**96.05**	**99.31**	**100.99**	**102.55**	**104.07**	**105.44**	**107.26**	**108.91**	**110.21**	**111.51**	**112.16**	**112.56**	**113.02**	**113.62**	**114.21**

A2: Scenario 2: Distribution and Logistics Employment Totals in Thousands

DISTRIBUTION & LOGISTICS	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Agriculture, Forestry & Fishing	0.74	0.73	0.75	0.70	0.67	0.65	0.63	0.62	0.61	0.59	0.58	0.57	0.56	0.55	0.53	0.51	0.49	0.47	0.45	0.43	0.40
Oil & Gas Extraction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Mining	0.07	0.11	0.09	0.09	0.09	0.09	0.09	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.07	0.07	0.07	0.07	0.07	0.06
Gas, Electricity & Water	0.19	0.17	0.17	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.15	0.15	0.15	0.15	0.15	0.15	0.14	0.14	0.14
Fuel Refining	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Chemicals	0.29	0.23	0.23	0.22	0.22	0.22	0.21	0.21	0.21	0.21	0.21	0.21	0.20	0.20	0.20	0.20	0.19	0.19	0.19	0.18	0.18
Minerals	0.31	0.28	0.30	0.34	0.34	0.35	0.34	0.34	0.33	0.30	0.28	0.27	0.26	0.25	0.25	0.25	0.25	0.24	0.23	0.22	0.22
Metals	0.78	0.70	0.69	0.68	0.65	0.63	0.61	0.59	0.56	0.53	0.50	0.48	0.46	0.44	0.43	0.41	0.39	0.36	0.33	0.31	0.28
Machinery & Equipment	6.16	6.11	6.00	5.82	5.74	5.67	5.60	5.54	5.45	5.32	5.13	4.88	4.64	4.42	4.20	4.00	3.80	3.61	3.42	3.24	3.04
Electrical & Optical Equipment	0.60	0.44	0.39	0.42	0.46	0.50	0.53	0.56	0.57	0.59	0.60	0.61	0.62	0.63	0.64	0.65	0.66	0.68	0.69	0.71	0.73
Transport Equipment	0.62	0.56	0.53	0.50	0.48	0.46	0.45	0.44	0.42	0.41	0.40	0.39	0.37	0.36	0.34	0.33	0.32	0.30	0.28	0.26	0.24
Food, Drink & Tobacco	1.27	1.28	1.26	1.24	1.23	1.24	1.27	1.27	1.27	1.27	1.27	1.27	1.27	1.26	1.25	1.25	1.24	1.23	1.22	1.21	1.20
Textiles & Clothing	0.05	0.02	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Wood & Wood Products	0.20	0.22	0.22	0.23	0.24	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24
Paper, Printing & Publishing	3.23	3.36	3.38	3.34	3.32	3.31	3.30	3.30	3.31	3.31	3.31	3.31	3.31	3.31	3.31	3.30	3.28	3.25	3.23	3.20	3.18
Rubber & Plastics	0.36	0.25	0.26	0.26	0.27	0.27	0.27	0.27	0.27	0.26	0.26	0.26	0.26	0.26	0.25	0.25	0.25	0.25	0.24	0.24	0.24
Other Manufacturing	0.32	0.30	0.23	0.18	0.12	0.08	0.08	0.07	0.07	0.07	0.07	0.07	0.07	0.06	0.06	0.06	0.05	0.04	0.02	0.01	0.00
Construction	2.77	2.93	2.86	2.98	2.97	2.94	2.92	4.18	4.12	4.06	4.01	3.97	3.94	3.91	3.89	3.87	3.83	3.77	3.72	3.67	3.62
Retailing	11.71	11.82	11.82	11.92	11.78	11.76	11.92	12.07	12.22	12.36	12.48	12.60	13.24	13.70	14.18	14.64	14.58	14.49	14.38	14.29	14.24
Wholesaling	6.90	7.11	7.10	7.22	7.35	7.55	7.88	8.22	8.54	8.87	9.19	9.52	10.15	10.78	11.12	11.44	11.73	11.99	12.25	12.52	12.79
Hotels & Catering	4.64	4.77	4.95	4.96	4.97	5.05	5.19	5.35	5.50	5.64	5.78	5.91	6.04	6.16	6.29	6.42	6.53	6.63	6.73	6.83	6.94
Transport	5.09	5.00	5.07	5.22	5.26	5.27	5.26	5.24	5.20	5.18	5.16	5.12	5.09	5.06	5.03	5.02	5.00	4.95	4.90	4.86	4.82
Communications	2.93	2.69	2.68	2.58	2.65	2.81	3.01	3.22	3.41	3.58	3.73	3.87	3.99	4.10	4.19	4.28	4.39	4.52	4.66	4.79	4.93
Banking & Insurance	7.10	6.70	6.64	6.53	6.49	6.59	6.73	6.88	6.97	7.07	7.19	7.27	7.33	7.39	7.42	7.46	7.52	7.56	7.61	7.66	7.71
Business Services	12.58	12.61	12.33	12.51	12.81	13.31	13.96	14.63	15.24	15.81	16.35	16.88	17.37	17.83	18.26	18.67	19.10	19.53	19.97	20.45	20.91
Other F&Bs	2.02	1.90	1.97	1.93	1.90	1.89	1.90	1.91	1.93	1.95	1.96	1.98	1.99	2.00	2.02	2.03	2.04	2.03	2.02	2.02	2.02
Public Admin. & Defence	3.68	3.52	3.60	3.64	3.62	3.60	3.59	3.57	3.57	3.55	3.53	3.50	3.47	3.44	3.41	3.38	3.34	3.30	3.25	3.21	3.17
Education	6.01	5.85	6.01	6.19	6.30	6.38	6.52	6.66	6.80	6.93	7.07	7.22	7.35	7.48	7.63	7.76	7.89	7.99	8.10	8.22	8.34
Health	8.54	8.04	8.25	8.38	8.54	8.63	8.80	8.93	9.04	9.15	9.28	9.42	9.55	9.68	9.82	9.96	10.07	10.16	10.25	10.34	10.45
Other	4.10	4.24	4.13	4.16	4.30	4.41	4.57	4.72	4.88	5.05	5.21	5.38	5.54	5.73	5.91	6.09	6.25	6.39	6.53	6.67	6.82
Total Employment	**93.26**	**91.94**	**91.90**	**92.41**	**92.95**	**94.06**	**96.05**	**99.31**	**100.99**	**102.55**	**104.07**	**105.44**	**107.56**	**109.51**	**111.11**	**112.71**	**113.66**	**114.36**	**115.12**	**116.02**	**116.91**

A3: Scenario 3: Environment Plus Employment Totals in Thousands

ENVIRONMENT PLUS	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Agriculture, Forestry & Fishing	0.74	0.73	0.75	0.70	0.67	0.65	0.63	0.62	0.61	0.59	0.58	0.57	0.56	0.55	0.53	0.51	0.49	0.47	0.45	0.43	0.40
Oil & Gas Extraction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Mining	0.07	0.11	0.09	0.09	0.09	0.09	0.09	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.07	0.07	0.07	0.07	0.07	0.06
Gas, Electricity & Water	0.19	0.17	0.17	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.15	0.15	0.15	0.15	0.15	0.15	0.14	0.14	0.14
Fuel Refining	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Chemicals	0.29	0.23	0.23	0.22	0.22	0.22	0.21	0.21	0.21	0.21	0.21	0.21	0.20	0.20	0.20	0.20	0.19	0.19	0.19	0.18	0.18
Minerals	0.31	0.28	0.30	0.34	0.34	0.35	0.34	0.34	0.33	0.30	0.28	0.27	0.26	0.25	0.25	0.25	0.25	0.24	0.23	0.22	0.22
Metals	0.78	0.70	0.69	0.68	0.65	0.63	0.61	0.59	0.56	0.53	0.50	0.48	0.46	0.44	0.43	0.41	0.39	0.36	0.33	0.31	0.28
Machinery & Equipment	6.16	6.11	6.00	5.82	5.74	5.67	5.60	5.54	5.47	5.35	5.19	4.97	4.76	4.57	4.39	4.22	4.07	3.91	3.77	3.63	3.49
Electrical & Optical Equipment	0.60	0.44	0.39	0.42	0.46	0.50	0.53	0.56	0.57	0.59	0.60	0.61	0.62	0.63	0.64	0.65	0.66	0.68	0.69	0.71	0.73
Transport Equipment	0.62	0.56	0.53	0.50	0.48	0.46	0.45	0.44	0.42	0.41	0.40	0.39	0.37	0.36	0.34	0.33	0.32	0.30	0.28	0.26	0.24
Food, Drink & Tobacco	1.27	1.28	1.26	1.24	1.23	1.24	1.27	1.27	1.27	1.28	1.29	1.30	1.31	1.31	1.31	1.32	1.32	1.32	1.32	1.32	1.32
Textiles & Clothing	0.05	0.02	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Wood & Wood Products	0.20	0.22	0.22	0.23	0.24	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24
Paper, Printing & Publishing	3.23	3.36	3.38	3.34	3.32	3.31	3.30	3.30	3.31	3.32	3.33	3.46	3.47	3.48	3.48	3.49	3.59	3.57	3.56	3.63	3.62
Rubber & Plastics	0.36	0.25	0.26	0.26	0.27	0.27	0.27	0.27	0.27	0.26	0.26	0.26	0.26	0.26	0.25	0.25	0.25	0.25	0.24	0.24	0.24
Other Manufacturing	0.32	0.30	0.23	0.18	0.12	0.08	0.08	0.07	0.07	0.07	0.07	0.07	0.07	0.06	0.06	0.06	0.05	0.04	0.02	0.01	0.00
Construction	2.77	2.93	2.86	2.98	2.97	2.94	2.92	4.18	4.12	4.06	4.01	3.97	3.94	3.91	3.89	3.87	3.83	3.77	3.72	3.67	3.62
Retailing	11.71	11.82	11.82	11.92	11.78	11.76	11.92	12.07	12.22	12.36	12.48	12.60	13.24	13.70	14.18	14.64	14.58	14.49	14.38	14.29	14.24
Wholesaling	6.90	7.11	7.10	7.22	7.35	7.55	7.88	8.22	8.54	8.87	9.19	9.52	9.85	10.18	10.22	10.24	10.23	10.19	10.15	10.12	10.09
Hotels & Catering	4.64	4.77	4.95	4.96	4.97	5.05	5.19	5.35	5.50	5.64	5.78	5.91	6.04	6.16	6.29	6.42	6.53	6.63	6.73	6.83	6.94
Transport	5.09	5.00	5.07	5.22	5.26	5.27	5.26	5.24	5.20	5.18	5.16	5.12	5.09	5.06	5.03	5.02	5.00	4.95	4.90	4.86	4.82
Communications	2.93	2.69	2.68	2.58	2.65	2.81	3.01	3.22	3.41	3.58	3.73	3.87	3.99	4.10	4.19	4.28	4.39	4.52	4.66	4.79	4.93
Banking & Insurance	7.10	6.70	6.64	6.53	6.49	6.59	6.73	6.88	7.04	7.22	7.42	7.57	7.70	7.84	7.95	8.07	8.21	8.33	8.46	8.60	8.73
Business Services	12.58	12.61	12.33	12.51	12.81	13.31	13.96	14.63	15.33	15.99	16.63	17.27	17.88	18.47	19.02	19.56	20.12	20.68	21.27	21.89	22.49
Other F&Bs	2.02	1.90	1.97	1.93	1.90	1.89	1.90	1.91	1.93	1.95	1.96	1.98	1.99	2.00	2.02	2.03	2.04	2.03	2.02	2.02	2.02
Public Admin. & Defence	3.68	3.52	3.60	3.64	3.62	3.60	3.59	3.57	3.57	3.55	3.53	3.50	3.47	3.44	3.41	3.38	3.34	3.30	3.25	3.21	3.17
Education	6.01	5.85	6.01	6.19	6.30	6.38	6.52	6.66	6.80	6.93	7.07	7.22	7.35	7.48	7.63	7.76	7.89	7.99	8.10	8.22	8.34
Health	8.54	8.04	8.25	8.38	8.54	8.63	8.80	8.93	9.04	9.15	9.28	9.42	9.55	9.68	9.82	9.96	10.07	10.16	10.25	10.34	10.45
Other	4.10	4.24	4.13	4.16	4.30	4.41	4.57	4.72	4.88	5.05	5.21	5.38	5.54	5.73	5.91	6.09	6.25	6.39	6.53	6.67	6.82
Total Employment	**93.26**	**91.94**	**91.90**	**92.41**	**92.95**	**94.06**	**96.05**	**99.31**	**101.17**	**102.94**	**104.67**	**106.40**	**108.47**	**110.37**	**111.93**	**113.49**	**114.53**	**115.20**	**115.95**	**116.92**	**117.81**

A4: Scenario 4: Environment Plus Jobs Led Employment Totals in Thousands

ENVIRONMENT + JOBS LED	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Agriculture, Forestry & Fishing	0.74	0.73	0.75	0.70	0.67	0.65	0.63	0.62	0.61	0.59	0.58	0.57	0.56	0.55	0.53	0.51	0.49	0.47	0.45	0.43	0.40
Oil & Gas Extraction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Mining	0.07	0.11	0.09	0.09	0.09	0.09	0.09	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.07	0.07	0.07	0.07	0.07	0.06
Gas, Electricity & Water	0.19	0.17	0.17	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.15	0.15	0.15	0.15	0.15	0.15	0.14	0.14	0.14
Fuel Refining	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Chemicals	0.29	0.23	0.23	0.22	0.22	0.22	0.21	0.21	0.21	0.21	0.21	0.21	0.20	0.20	0.20	0.20	0.19	0.19	0.19	0.18	0.18
Minerals	0.31	0.28	0.30	0.34	0.34	0.35	0.34	0.34	0.33	0.30	0.28	0.27	0.26	0.25	0.25	0.25	0.25	0.24	0.23	0.22	0.22
Metals	0.78	0.70	0.69	0.68	0.65	0.63	0.61	0.59	0.56	0.53	0.50	0.48	0.46	0.44	0.43	0.41	0.39	0.36	0.33	0.31	0.28
Machinery & Equipment	6.16	6.11	6.00	5.82	5.74	5.67	5.60	5.54	5.47	5.35	5.19	4.97	4.76	4.57	4.39	4.22	4.07	3.91	3.77	3.63	3.49
Electrical & Optical Equipment	0.60	0.44	0.39	0.42	0.46	0.50	0.53	0.56	0.57	0.59	0.60	0.61	0.62	0.63	0.64	0.65	0.66	0.68	0.69	0.71	0.73
Transport Equipment	0.62	0.56	0.53	0.50	0.48	0.46	0.45	0.44	0.42	0.41	0.40	0.39	0.37	0.36	0.34	0.33	0.32	0.30	0.28	0.26	0.24
Food, Drink & Tobacco	1.27	1.28	1.26	1.24	1.23	1.24	1.27	1.27	1.27	1.27	1.27	1.27	1.27	1.26	1.25	1.25	1.24	1.23	1.22	1.21	1.20
Textiles & Clothing	0.05	0.02	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Wood & Wood Products	0.20	0.22	0.22	0.23	0.24	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24
Paper, Printing & Publishing	3.23	3.36	3.38	3.34	3.32	3.31	3.30	3.30	3.31	3.32	3.33	3.46	3.47	3.48	3.48	3.49	3.59	3.57	3.56	3.63	3.62
Rubber & Plastics	0.36	0.25	0.26	0.26	0.27	0.27	0.27	0.27	0.27	0.26	0.26	0.26	0.26	0.26	0.25	0.25	0.25	0.25	0.24	0.24	0.24
Other Manufacturing	0.32	0.30	0.23	0.18	0.12	0.08	0.08	0.07	0.07	0.07	0.07	0.07	0.07	0.06	0.06	0.06	0.05	0.04	0.02	0.01	0.00
Construction	2.77	2.93	2.86	2.98	2.97	2.94	2.92	3.48	3.42	3.36	3.31	3.27	3.24	3.21	3.19	3.17	3.13	3.07	3.02	2.97	2.92
Retailing	11.63	11.78	11.81	11.93	11.87	11.87	11.95	12.04	12.11	12.19	12.28	12.36	12.41	12.46	12.53	12.59	12.62	12.61	12.61	12.64	12.66
Wholesaling	6.89	7.10	7.10	7.22	7.37	7.57	7.89	8.21	8.53	8.84	9.15	9.47	9.98	10.50	10.73	10.94	11.12	11.06	11.01	10.98	10.93
Hotels & Catering	4.62	4.76	4.95	4.97	4.99	5.08	5.20	5.34	5.48	5.60	5.72	5.83	5.94	6.05	6.16	6.27	6.36	6.43	6.51	6.60	6.68
Transport	5.08	4.99	5.07	5.23	5.27	5.28	5.26	5.24	5.19	5.16	5.13	5.09	5.05	5.01	4.98	4.96	4.93	4.87	4.82	4.78	4.73
Communications	2.92	2.68	2.68	2.58	2.66	2.82	3.02	3.22	3.40	3.55	3.70	3.82	3.93	4.02	4.11	4.18	4.28	4.39	4.51	4.63	4.75
Banking & Insurance	7.10	6.69	6.64	6.53	6.50	6.60	6.73	6.88	7.04	7.21	7.40	7.55	7.68	7.81	7.92	8.04	8.17	8.28	8.41	8.55	8.67
Business Services	12.57	12.60	12.33	12.51	12.82	13.33	13.97	14.63	15.31	15.97	16.60	17.23	17.82	18.40	18.94	19.47	20.02	20.56	21.13	21.74	22.32
Other F&Bs	2.02	1.90	1.97	1.93	1.90	1.89	1.90	1.91	1.92	1.94	1.96	1.97	1.98	2.00	2.01	2.02	2.02	2.02	2.01	2.01	2.00
Public Admin. & Defence	3.67	3.51	3.60	3.65	3.63	3.61	3.59	3.57	3.55	3.52	3.49	3.46	3.42	3.38	3.34	3.30	3.25	3.20	3.15	3.10	3.05
Education	5.97	5.83	6.01	6.20	6.35	6.44	6.54	6.64	6.73	6.84	6.94	7.05	7.14	7.23	7.33	7.43	7.51	7.57	7.64	7.72	7.79
Health	8.49	8.01	8.24	8.39	8.59	8.71	8.82	8.91	8.96	9.04	9.12	9.21	9.28	9.37	9.46	9.55	9.62	9.65	9.69	9.74	9.78
Other	4.07	4.22	4.13	4.17	4.33	4.45	4.58	4.71	4.83	4.98	5.12	5.26	5.39	5.54	5.69	5.84	5.97	6.07	6.17	6.29	6.39
Total Employment	**93.00**	**91.78**	**91.87**	**92.47**	**93.24**	**94.46**	**96.17**	**98.49**	**100.06**	**101.62**	**103.12**	**104.59**	**106.04**	**107.52**	**108.69**	**109.85**	**110.98**	**111.48**	**112.11**	**113.03**	**113.70**

A5: Scenario 5: Going for Growth Employment Totals in Thousands

GOING FOR GROWTH	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Agriculture, Forestry & Fishing	0.74	0.73	0.75	0.70	0.67	0.65	0.63	0.62	0.61	0.59	0.58	0.57	0.56	0.55	0.53	0.51	0.49	0.47	0.45	0.43	0.40
Oil & Gas Extraction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Mining	0.07	0.11	0.09	0.09	0.09	0.09	0.09	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.07	0.07	0.07	0.07	0.07	0.06
Gas, Electricity & Water	0.19	0.17	0.17	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.15	0.15	0.15	0.15	0.15	0.15	0.14	0.14	0.14
Fuel Refining	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Chemicals	0.29	0.23	0.23	0.22	0.22	0.22	0.21	0.21	0.21	0.21	0.21	0.21	0.20	0.20	0.20	0.20	0.19	0.19	0.19	0.18	0.18
Minerals	0.31	0.28	0.30	0.34	0.34	0.35	0.34	0.34	0.33	0.30	0.28	0.27	0.26	0.25	0.25	0.25	0.25	0.24	0.23	0.22	0.22
Metals	0.78	0.70	0.69	0.68	0.65	0.63	0.61	0.59	0.56	0.53	0.50	0.48	0.46	0.44	0.43	0.41	0.39	0.36	0.33	0.31	0.28
Machinery & Equipment	6.16	6.11	6.00	5.82	5.74	5.67	5.60	5.54	5.47	5.35	5.19	4.97	4.76	4.57	4.39	4.22	4.07	3.91	3.77	3.63	3.49
Electrical & Optical Equipment	0.60	0.44	0.39	0.42	0.46	0.50	0.53	0.56	0.57	0.59	0.60	0.61	0.62	0.63	0.64	0.65	0.66	0.68	0.69	0.71	0.73
Transport Equipment	0.62	0.56	0.53	0.50	0.48	0.46	0.45	0.44	0.42	0.41	0.40	0.39	0.37	0.36	0.34	0.33	0.32	0.30	0.28	0.26	0.24
Food, Drink & Tobacco	1.27	1.28	1.26	1.24	1.23	1.24	1.27	1.27	1.27	1.28	1.29	1.30	1.31	1.31	1.31	1.32	1.32	1.32	1.32	1.32	1.32
Textiles & Clothing	0.05	0.02	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Wood & Wood Products	0.20	0.22	0.22	0.23	0.24	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24
Paper, Printing & Publishing	3.23	3.36	3.38	3.34	3.32	3.31	3.30	3.30	3.31	3.32	3.33	3.46	3.47	3.48	3.48	3.49	3.59	3.57	3.56	3.63	3.62
Rubber & Plastics	0.36	0.25	0.26	0.26	0.27	0.27	0.27	0.27	0.27	0.26	0.26	0.26	0.26	0.26	0.25	0.25	0.25	0.25	0.24	0.24	0.24
Other Manufacturing	0.32	0.30	0.23	0.18	0.12	0.08	0.08	0.07	0.07	0.07	0.07	0.07	0.07	0.06	0.06	0.06	0.05	0.04	0.02	0.01	0.00
Construction	2.77	2.93	2.86	2.98	2.97	2.94	2.92	4.18	4.12	4.06	4.01	3.97	3.94	3.91	3.89	3.87	3.83	3.77	3.72	3.67	3.62
Retailing	11.71	11.82	11.82	11.92	11.78	11.76	11.92	12.07	12.22	12.36	12.48	12.60	13.24	13.70	14.18	14.64	14.58	14.49	14.38	14.29	14.24
Wholesaling	6.90	7.11	7.10	7.22	7.35	7.55	7.88	8.22	8.54	8.87	9.19	9.52	10.15	10.78	11.12	11.44	11.73	11.99	12.25	12.52	12.79
Hotels & Catering	4.64	4.77	4.95	4.96	4.97	5.05	5.19	5.35	5.50	5.64	5.78	5.91	6.04	6.16	6.29	6.42	6.53	6.63	6.73	6.83	6.94
Transport	5.09	5.00	5.07	5.22	5.26	5.27	5.26	5.24	5.20	5.18	5.16	5.12	5.09	5.06	5.03	5.02	5.00	4.95	4.90	4.86	4.82
Communications	2.93	2.69	2.68	2.58	2.65	2.81	3.01	3.22	3.41	3.58	3.73	3.87	3.99	4.10	4.19	4.28	4.39	4.52	4.66	4.79	4.93
Banking & Insurance	7.10	6.70	6.64	6.53	6.49	6.59	6.73	6.88	7.04	7.22	7.42	7.57	7.70	7.84	7.95	8.07	8.21	8.33	8.46	8.60	8.73
Business Services	12.58	12.61	12.33	12.51	12.81	13.31	13.96	14.63	15.33	15.99	16.63	17.27	17.88	18.47	19.02	19.56	20.12	20.68	21.27	21.89	22.49
Other F&Bs	2.02	1.90	1.97	1.93	1.90	1.89	1.90	1.91	1.93	1.95	1.96	1.98	1.99	2.00	2.02	2.03	2.04	2.03	2.02	2.02	2.02
Public Admin. & Defence	3.68	3.52	3.60	3.64	3.62	3.60	3.59	3.57	3.57	3.55	3.53	3.50	3.47	3.44	3.41	3.38	3.34	3.30	3.25	3.21	3.17
Education	6.01	5.85	6.01	6.19	6.30	6.38	6.52	6.66	6.80	6.93	7.07	7.22	7.35	7.48	7.63	7.76	7.89	7.99	8.10	8.22	8.34
Health	8.54	8.04	8.25	8.38	8.54	8.63	8.80	8.93	9.04	9.15	9.28	9.42	9.55	9.68	9.82	9.96	10.07	10.16	10.25	10.34	10.45
Other	4.10	4.24	4.13	4.16	4.30	4.41	4.57	4.72	4.88	5.05	5.21	5.38	5.54	5.73	5.91	6.09	6.25	6.39	6.53	6.67	6.82
Total Employment	**93.26**	**91.94**	**91.90**	**92.41**	**92.95**	**94.06**	**96.05**	**99.31**	**101.17**	**102.94**	**104.67**	**106.40**	**108.77**	**110.97**	**112.83**	**114.69**	**116.03**	**117.00**	**118.05**	**119.32**	**120.51**

APPENDIX B – FLOORSPACE REQUIREMENTS BY 5 YEAR PERIOD FOR B LAND USE CLASSES

B1: Scenario 1: Housing Led Baseline floorspace

Absolute Change over previous 5 years	Total	B1	B2	B8
	M2 of employment floorspace			
2006	27,443	2,768	- 39,243	63,918
2011	257,254	59,805	- 324	197,773
2016	120,834	43,394	- 44,994	122,433
2021	6,455	38,282	- 46,008	14,181
Total	**411,986**	**144,250**	**- 130,569**	**398,305**

B2: Scenario 2: Distribution and Logistics Floorspace

Absolute Change over previous 5 years	Total	B1	B2	B8
	M2 of employment floorspace			
2006	27,443	2,768	- 39,243	63,918
2011	257,254	59,805	- 324	197,773
2016	228,834	43,394	- 44,994	230,433
2021	141,455	38,282	- 46,008	149,181
Total	**654,986**	**144,250**	**- 130,569**	**641,305**

B3: Scenario 3: Environment Plus

Absolute Change over previous 5 years	Total	B1	B2	B8
	M2 of employment floorspace			
2006	27,443	2,768	- 39,243	63,918
2011	268,055	66,549	2,977	198,529
2016	146,947	57,938	- 35,067	124,076
2021	38,008	55,148	- 33,197	16,057
Total	**480,454**	**182,403**	**- 104,530**	**402,580**

B4: Scenario 4: Environment Plus 'Jobs Led' Floorspace

Absolute Change over previous 5 years	Total	B1	B2	B8
	M2 of employment floorspace			
2006	12,017	5,359	- 39,213	45,871
2011	177,932	61,504	- 9,226	125,654
2016	140,587	52,557	- 35,147	123,177
2021	30,291	48,957	- 33,301	14,636
Total	**360,828**	**168,377**	**- 116,887**	**309,338**

B5: Scenario 5: Going for Growth Floorspace

Absolute Change over previous 5 years	Total	B1	B2	B8
	M2 of employment floorspace			
2006	27,443	2,768	- 39,243	63,918
2011	268,055	66,549	2,977	198,529
2016	254,947	57,938	- 35,067	232,076
2021	173,008	55,148	- 33,197	151,057
Total	**723,454**	**182,403**	**- 104,530**	**645,580**

APPENDIX C - LAND REQUIREMENTS BY 5 YEAR PERIOD FOR B LAND USE CLASSES

C1: Scenario 1: Housing Led Baseline

	Total			B1			B2			B8		
Absolute change over previous five years	Employment in employment land	Net land demand	Gross land demand	Employment in employment land	Net land demand	Gross land demand	Employment in employment land	Net land demand	Gross land demand	Employment in employment land	Net land demand	Gross land demand
2006	- 298	7	9	146	1	1	- 1,154	- 10	- 13	710	16	21
2011	5,336	64	86	3,148	15	20	- 10	- 0	- 0	2,197	49	66
2016	2,321	30	40	2,284	11	14	- 1,323	- 11	- 15	1,360	31	41
2021	819	2	2	2,015	10	13	- 1,353	- 12	- 15	158	4	5
Total	8,177	103	137	7,592	36	48	- 3,840	- 33	- 44	4,426	100	133

C2: Scenario 2: Distribution and Logistics

	Total			B1			B2			B8		
Absolute change over previous five years	Employment in employment land	Net land demand	Gross land demand	Employment in employment land	Net land demand	Gross land demand	Employment in employment land	Net land demand	Gross land demand	Employment in employment land	Net land demand	Gross land demand
2006	- 298	7	9	146	1	1	- 1,154	- 10	- 13	710	16	21
2011	5,336	64	86	3,148	15	20	- 10	- 0	- 0	2,197	49	66
2016	3,521	57	76	2,284	11	14	- 1,323	- 11	- 15	2,560	58	77
2021	2,319	35	47	2,015	10	13	- 1,353	- 12	- 15	1,658	37	50
Total	10,877	164	218	7,592	36	48	- 3,840	- 33	- 44	7,126	160	214

C3: Scenario 3: Environment Plus

	Total			B1			B2			B8		
Absolute change over previous five years	Employment in employment land	Net land demand	Gross land demand	Employment in employment land	Net land demand	Gross land demand	Employment in employment land	Net land demand	Gross land demand	Employment in employment land	Net land demand	Gross land demand
2006	- 298	7	9	146	1	1	- 1,154	- 10	- 13	710	16	21
2011	5,796	67	89	3,503	17	22	88	1	1	2,206	50	66
2016	3,397	37	49	3,049	14	19	- 1,031	- 9	- 12	1,379	31	41
2021	2,105	9	13	2,903	14	18	- 976	- 8	- 11	178	4	5
Total	10,999	120	160	9,600	45	61	- 3,074	- 26	- 35	4,473	101	134

C4: Scenario 4: Environment Plus 'Jobs Led'

	Total			B1			B2			B8		
Absolute change over previous five years	Employment in employment land	Net land demand	Gross land demand	Employment in employment land	Net land demand	Gross land demand	Employment in employment land	Net land demand	Gross land demand	Employment in employment land	Net land demand	Gross land demand
2006	- 107	3	4	282	1	2	- 1,153	- 10	- 13	765	11	15
2011	5,060	44	59	3,237	15	20	- 271	- 2	- 3	2,094	31	42
2016	3,785	35	47	2,766	13	17	- 1,034	- 9	- 12	2,053	31	41
2021	1,841	8	10	2,577	12	16	- 979	- 8	- 11	244	4	5
Total	10,580	90	120	8,862	42	56	- 3,438	- 29	- 39	5,156	77	103

C5: Scenario 5: Going for Growth

	Total			B1			B2			B8		
Absolute change over previous five years	Employment in employment land	Net land demand	Gross land demand	Employment in employment land	Net land demand	Gross land demand	Employment in employment land	Net land demand	Gross land demand	Employment in employment land	Net land demand	Gross land demand
2006	- 298	7	9	146	1	1	- 1,154	- 10	- 13	710	16	21
2011	5,796	67	89	3,503	17	22	88	1	1	2,206	50	66
2016	4,597	64	85	3,049	14	19	- 1,031	- 9	- 12	2,579	58	77
2021	3,605	43	58	2,903	14	18	- 976	- 8	- 11	1,678	38	50
Total	13,699	181	241	9,600	45	61	- 3,074	- 26	- 35	7,173	161	215