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Economic Development, Regeneration & Sustainability

Economic and Employment Evidence to Support the Local Plan and Economic Development Strategy

Final Report

Prepared for Epping Forest District Council

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Contents

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Executive Summary

The local economy

Epping Forest District combines the urban edge of London and a large rural area, and much of the District lies within the Green Belt. The M25 motorway is an approximate boundary between the more urban and more rural parts of the District. The District contains a number of settlements, some of which are on the periphery of the London conurbation, and others stand alone within a rural setting. The District does not have a single 'central place' or very large town, and so does not have the higher level functions that such a place would have.

Around half of the District's resident working population commute to London. Much of the employment that is located in Epping Forest District is in the service sector, often meeting the needs of local residents rather than exporting services to other areas. The construction sector is strong. The glasshouse or horticultural industry has a long-standing and visible presence in Epping Forest District. Epping Forest District does not have a strong manufacturing sector.

Strengths	• A generally affluent area with high quality natural environment • Close and well linked to London • Good strategic transport links • Strong employment in services and construction, which are growing sectors
Weaknesses	• Weak manufacturing sector • Dependent on London • Limited availability of development sites, with many environmental designations as constraints • Leakage of (comparison) retail spend
Opportunities	• Some interest from private sector developers • New M11 Junction 7a could create employment opportunities • Development opportunities at Debden, North Weald Airfield and St John's Road Epping • Growth plans for Harlow could create high quality jobs for residents • Potential for growth throughout the economy, including in the food and tourism sectors
Threats	• Some transport infrastructure close to capacity • Ageing population will mean declining working-age population (albeit that the increased state pension age and later retirement may lead to some offset of this) • Strong residential prices mean that employment developments may not be appealing to developers

Functional economic market area

Epping Forest District is not a self-contained economy, but an integral part of a functional economic geography that extends well beyond its boundaries. This is best expressed at two levels:

- A strong core geography of Epping Forest District with good links south into parts of central London, with the potential for a much stronger functional relationship with Harlow in the future, based on commuting flows
- A less strong, but still functional wider economic geography which covers parts of central London, East Hertfordshire, Harlow, Uttlesford, Brentwood, Broxbourne, Enfield, Stansted, Chelmsford, and Cambridge.

Visions for future growth

Although Epping Forest District Council does not yet have a strong vision for the future of its economy, it is developing one, building on the nascent vision created by One Epping Forest (the Local Strategic Partnership), and future employment development is directed by the plans serving larger functional geographies which overlay Epping Forest District. Recent work has been undertaken to develop an over-arching employment growth trajectory for Epping Forest District, East Hertfordshire, Harlow and Uttlesford. The Harlow Enterprise Zone (serving all of West Essex) is seeking to create high quality, high technology employment close to the District, and is highlighted in the latest work on economic growth in Essex. The West Essex Alliance is promoting economic prosperity in West Essex through the Essex County and South East LEP structures. Development and employment at North Weald Airfield features in the County Council and LEP's plans for growth. Epping Forest District sits within the London-Stansted-Cambridge Corridor's plans which include promoting growth in sectors such as food and life sciences.

An important principle for future economic growth is that many jobs for Epping Forest District residents will be located outside the District's boundary, in keeping with the current situation. However, there will also be employment growth within the District.

Delivering future employment

There are a number of specific opportunities that will drive the levels of potential future employment identified in Epping Forest District. These include:

- Development potential at North Weald Airfield, where a masterplan has been prepared
- Some development potential in the southern part of the District with regeneration proposals at Langston Road and Debden Broadway
- Potential for the employment of more local residents, and further job growth in the glasshouse and horticulture sector
- Scattered, small-scale development throughout the rural north and eastern parts of the district
- Regeneration in the District's town centres, focusing on a distinct role that does not compete directly with the large regional comparison retail centres. There are plans or proposals for town centre developments in Epping, Loughton and Waltham Abbey
- Potential for increase in the scale and quality of tourism in the District
- Potential to build on the nascent Chinese business cluster in Epping Forest District
- Opportunities in the care home sector
- Scope to align the delivery of further and higher education in and around the District with businesses' needs.

As well as these opportunities in the District, there will be significant employment opportunities for local residents outside of the District boundary. There is strong, established commuting to London which is forecast to grow, and major employment opportunities in many nearby places such as Broxbourne and Harlow.

Quantitative assessment of future employment

The assessment of future requirements contained within this report is not designed to be a detailed prediction of exactly what will happen in the future in Epping Forest District. The approach is designed to bring together available evidence in order that there is a clear basis on which to consider policy options, in conjunction with other complementary, or potentially competing evidence.

Forecasts for employment growth in Epping Forest District and the wider FEMA have been drawn from the East of England Forecasting Model (EEFM). Analysis of the EEFM was undertaken at the sub-regional level to ensure alignment with the Strategic Housing Market Assessment (SHMA). As part of this analysis an adjusted EEFM scenario, taking account of Stansted growth was developed. This is an increase from the employment growth set out in the EEFM baseline. Overall growth of 1,895 jobs per annum has been calculated. Two different methods have then been used to apportion the sub-regional growth across the four Districts, giving a range of employment growth numbers for each District which can be seen in Figure 1 below: albeit that these figures are different ways of apportioning the total of 1,895 jobs per annum between the four Districts[1]. The Epping Forest District scenario of 400 to 455 jobs per annum (jpa) compares to the original EEFM 2014 Baseline derived figure of 470 jpa.

Figure 1: HMA-wide Workplace Based Jobs Scenarios

	EEFM 2014 Baseline				Stansted Growth Scenario
	2011	2033	2011-33	Jobs per annum	Jobs per annum
East Herts DC	66,785	76,750	9,960	455	435 - 505
Epping Forest DC	57,545	67,880	10,335	470	400 - 455
Harlow DC	42,230	49,815	7,585	345	325 - 335
Uttlesford DC	43,390	50,465	7,080	320	665 - 675
HMA	209,955	244,915	34,965	1,590	1,895

N.b. Figures may not sum due to rounding

Detailed analysis based on latest guidance on employment land projections identifies a range of future land and property requirements in each Planning Use Class, as set out in the summary figure below.

[1] If one or more Districts plans for growth at the top of their range, others will plan for growth closer to the bottom of their range, so that the total remains at 1,895 jpa across the four Districts

Figure 2: Results of Quantitative Assessment

	Net Additional Floorspace (Sq m)	Net Additional Land (ha)	Replacement (ha)	Choice (ha)	Core Requirement
A1	-3,000 to -700 sq m	Uncertain	n/a		
A2	2,400 to 2,700 sq m	Uncertain	n/a		
A3-5	8,900 to 9,900 sq m	Uncertain	n/a		
B1a	32,600 to 35,400 sq m	8.1 to 8.8 ha	1.2 to 3.1	0.9 to 1.2	10.2 to 13.3
B1b/c	5,800 to 6,300 sq m	1.5 ha			17.3 to 18.3 *Includes reduction of 2ha based on reduced overall requirement*
B2	-15,900 to -14,600 sq m	-4.0 to -3.7 ha *Estimated 2 ha might be available for re-use*	13.7	1.8 to 1.9	
B8	9,400 to 13,300	2.3 to 3.3 ha			
C1	50 to 190 hotel rooms	Uncertain	n/a		
C2	Uncertain	Uncertain	n/a		
D1	Uncertain	Uncertain	n/a		
D2	30,000 to 33,000 sq m	*c* 7.5 to 8.2 ha	n/a	0.8	8.3 to 9.0
Sui Generis	Non quantifiable	Non quantifiable	n/a		

Constraints to achieving employment growth

Despite projections, plans and strategies for economic growth and forecast levels of employment growth, there are still a number of constraints that need to be overcome in order to enable that growth to take place. These include:

- The limited availability of suitable employment sites, particularly in the south of the District (inside the M25)
- Lack of a 'central place' with a critical mass of activity
- The level and suitability of local residents' skills to enable them to access the employment opportunities that are created locally
- The decline in working age population (albeit that the increased state pension age and later retirement may lead to some offset of this)
- Transport infrastructure constraints
- Housing affordability constraints

Sites and premises for employment

Epping Forest District is part of a larger London and South East property market which is healthy, with demand rising after the recent economic recession. There are a number of strong industrial and office locations and major development areas around Epping Forest District, and it will not compete as a major strategic employment growth location within the wider London and South East market. Much of the interest in the Epping Forest District property market is from existing local businesses and owner-occupiers.

Our review of the existing stock of employment sites and premises identified 42 employment sites with over 500 premises. The average size of premises was considered small. Around one-third of the existing stock was considered 'good,' around two-thirds 'average' and only 3% 'poor.'

The Employment Land Review (2010) identified a vacancy rate in the existing stock of up to 6%, which is relatively low; and there is limited employment land ready for development. A recent review of the local market by regional property advisers Glenny has suggested that the picture remains similar today.

Within current policy (i.e. the 2006 Local Plan), just over 5 hectares of employment land are identified as deliverable, with a further 65 hectares of sites identified that may be deliverable. In addition, eight sites have been identified for town centre uses.

Outside of current policy there are significant amounts of potential employment land, but most of these are currently within the Green Belt. Plans and proposals for employment development have been prepared for:

- North Weald Airfield in the north of the District
- Debden Broadway and Langston Road in the south of the District
- Epping town centre

Given the limited supply of readily available employment sites within current policy constraints, there is potential to consider a programme of renewal for some sites, in particular those where Epping Forest District Council has some ownership e.g. Oakwood Hill. This will help to make the most of existing land alongside the consideration of new allocations.

Comparing demand and supply

Overall, gross demand cannot be met from vacant premises and sites with planning permission. In the town centres, analysis based on the EEFM suggests that there is gross demand for around 12,000 sq m (A Use Class). However, the Town Centres study undertaken for Epping Forest District Council in 2010 suggests that the level of demand could be as high as 62,000 sq m – based on a much more detailed retail demand methodology. Gross supply across Epping, Loughton and Waltham Abbey town centres is significantly less than this. However, there have been significant economic changes since this report was produced, and this figure should not be relied on.

For Use Class B1a (offices), there is gross demand of up to 13 hectares. This could be met within current policy, although according to the latest Strategic Land Availability Assessment (SLAA) much of the potential supply (much of which is not currently designated) may not be deliverable (due to factors such as unknown ownership and contamination). Some of this could be accommodated in town centres. There is significant potential development land outside current policy.

For Use Classes B1b, B1c, B2 and B8 (industrial and warehousing) there is a projected decrease in employment, but still a demand for up to 18 hectares of land, due to replacement demand and the need for choice in the market. This could be met within current policy, although much of the potential supply may not be deliverable. There is significant potential development land outside current policy.

In Use Class C (hotels and residential), there is some demand for hotels. There is also likely demand for care homes (including nursing homes and extra care developments). In Use Class D (non residential, assembly and leisure), the estimated demand is for up to 9 hectares of land. This will be required in town centres, out-of-town and throughout the District. Sui Generis uses generate an unquantifiable site demand to accommodate 600 additional jobs.

Conclusions and implications

Epping Forest District is a relatively prosperous area, combining the edge of the London urban conurbation and the rural areas beyond that. Out-commuting has been a strong source of employment for local residents, and will continue to be so in the future. However, there will need to be employment growth in the District in the future. There are a number of drivers of this, including some significant development sites, and some sectors with employment growth potential. There are also some constraints or barriers to this taking place, which will need to be overcome if Epping Forest District is going to achieve its employment growth potential over the plan period.

1 Introduction

This final report draws on the detailed research that has been undertaken for this study.

It includes the following chapters:

Chapter 2 sets out the current policy and guidance on planning and economic development

Chapter 3 is an overview of the current state of the Epping Forest District economy

Chapter 4 discusses the level and composition of projected future growth in the Epping Forest District economy

Chapter 5 considers how this growth may be delivered

Chapter 6 sets out an overview of the current employment land supply, and the potential future employment land supply in Epping Forest District

Chapter 7 compares forecast future land requirements against current and potential future land supply to identify the implications for the Local Plan

Chapter 8 sets out the conclusions of the study and the implications for the Epping Forest District Local Plan and future economic development strategy

The detailed research is set out in the accompanying appendices:

- Appendix 1 sets out an overview of the methodology for undertaking this research
- Appendix 2 sets out the documentary and data review that has been undertaken, and includes the main messages that have emerged from the consultations that have been undertaken for this study
- Appendix 3 sets out the projected future economic growth in Epping Forest District, and translates this into projected demand for employment floorspace and employment land
- Appendix 4 considers the current and potential future supply of employment premises and sites in Epping Forest District

2 Planning and Economic Development

The National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG) put economic development at the heart of the planning process, contributing to the achievement of sustainable development. This planning framework is considered in detail in Appendix 2 to this report. This section summarises the main aspects of the NPPF and PPG that are important, and there is some further discussion at appropriate places later in the report.

Local plans should encourage and support growth in a sustainable manner. Promoting the vitality of existing urban areas through enhancing development, and preserving the Green Belt are part of the core principles set out in the NPPF, and are pertinent to Epping Forest District.

NPPF and PPG are clear that future economic growth needs to be considered at the level of the functional economic market area. Epping Forest District is not a self-contained functional economic market area, so its future economic growth needs to be considered within the context of a wider local and regional geography. Given the uncertainty of future economic growth, a range of scenarios for future economic growth in Epping Forest District should be considered. The Duty to Cooperate suggests that strategic priorities (including homes, jobs, retail, leisure, commercial development, infrastructure etc.) should be considered across administrative boundaries, to the *mutual benefit of neighbouring authorities* (NPPF Paragraph 178). Identifying the functional economic market area(s) that include Epping Forest District is an important task that is dealt with in the following section.

Within the context of a functional economic market area, NPPF is clear that local planning authorities should *set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth* (NPPF Paragraph 21). At present there are economic visions for several of the functional geographies that Epping Forest District sits within, and local economic drivers including: One Epping Forest (the Local Strategic Partnership), the West Essex Alliance, the Harlow Enterprise Zone, the London Stansted, Cambridge Corridor, the County of Essex and the South East LEP. Epping Forest District Council is developing an economic vision as part of its future economic strategy development.

Promotion of the development and competitiveness of town centres is discussed in Section 2 of the NPPF, and this is very important for Epping Forest District given its polycentric urban form. Section 3 discusses the need to support a prosperous rural economy, and again this is very important to Epping Forest District where a large proportion of the District is rural.

2.1 Objectively Assessed Housing Need and Economic Evidence

The Cooperation for Sustainable Development Board comprises members of four local authorities: East Hertfordshire District Council, Epping Forest District Council, Harlow Council and Uttlesford District Council. It commissioned work in 2015 on the economy of West Essex and East Hertfordshire[2], to inform an updated Strategic Housing Market Assessment (SHMA) and Objectively Assessed Housing Need (OAHN) for the four local authorities[3]. These will inform the Local Plans for

[2] Hardisty Jones Associates (July 2015) Economic Evidence to Support the Development of the OAHN for West Essex and East Herts
[3] ORS (2015)

bring developed for each of the four authorities. As part of this work, the functional market area was considered, and this is discussed later in this report.

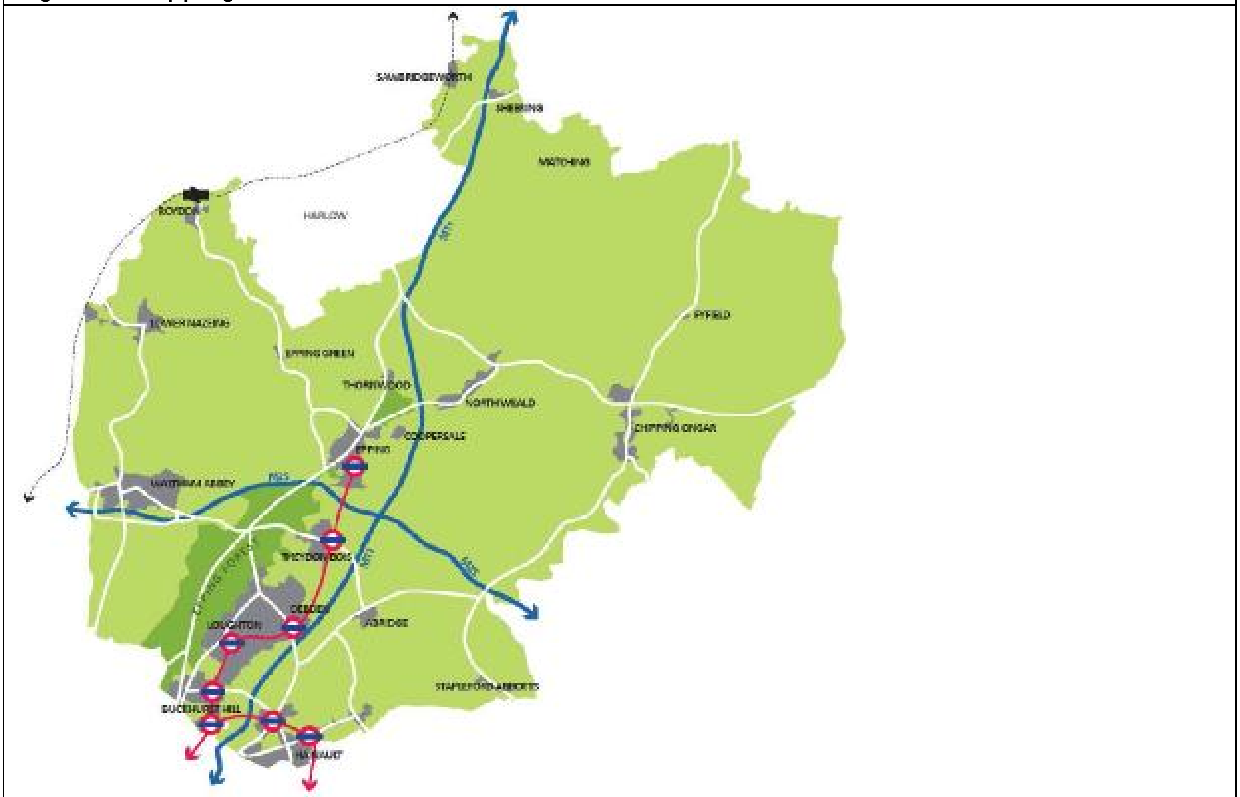
3 The Epping Forest District Economy

3.1 The functional economic market area

The economy of Epping Forest District is not self-contained, and the District is part of a wider functional economic market area – albeit one that is difficult to define with a single boundary line. The current administrative boundary of Epping Forest District was established in 1974, as a combination of Chigwell Urban District, Epping Urban District, Waltham Holy Cross Urban District and most of Epping and Ongar Rural District. This combination of outer-London influenced urban areas, stand-alone small settlements and large rural areas still characterises the District.

A significant determinant of the functional economic market area is the transport infrastructure that allows the functional flows of people and goods into, out of, through and within this area. The main transport infrastructure that helps to shape Epping Forest District's functional economic market area includes the M11 and M25 motorways, the Central line of the London Underground, and the main rail line to the west of the District. The motorways and main rail line are nationally significant infrastructure links, which mean that parts of Epping Forest District are highly accessible (albeit that some of the more rural parts of the District are less accessible). This in-turn means that the flows of goods and people can cover a large area, hence Epping Forest District's role in functional designations such as the London-Stansted-Cambridge corridor. The London Underground line means that there are strong links into London for work, leisure and retail. The significance of the high level of connectedness to parts of Epping Forest District is that it does not have a tightly nor easily defined functional economic market area.

Figure 1.1: Epping Forest District



HJA

In broad terms, the southern part of the District is more urbanised, and with access to the London Underground line, it has more functional flows into London. The northern part of the District is more rural, with a polycentric urban pattern, and the functional flows are to many surrounding larger towns (outside the District) as well as into London. Harlow lies on the north-western boundary of Epping Forest District, but the current functional flows are limited. In part this may be due to the poor level of non-motorway transport infrastructure.

Nearly half of the District's working residents commute into London for work, and residents also commute into other adjacent areas for work, leisure and shopping. Many residents travel out of the District for comparison retail, and there is understood to be significant leakage of retail spend.

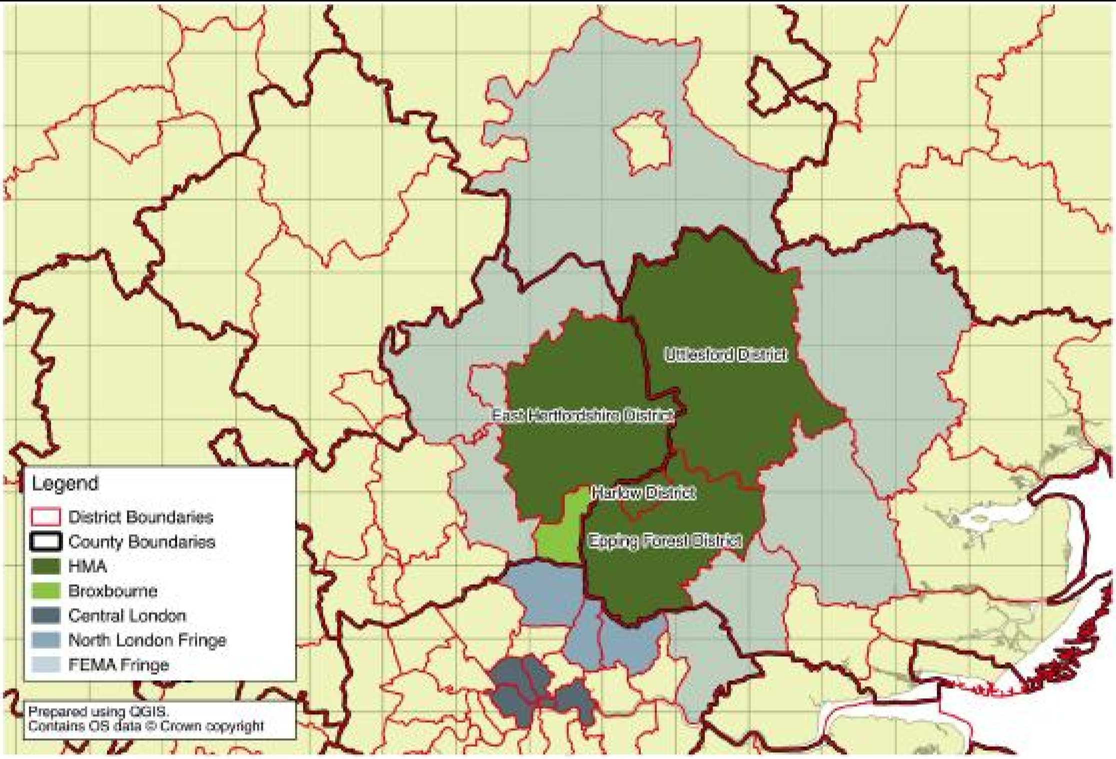
There are several functional structures that can be used as a proxy for the functional economic market area that contains Epping Forest District. In ascending order of geographical size they are:

- The West Essex Alliance which includes Epping Forest District, Harlow and Uttlesford. This is an established economic sub-unit within the South East LEP structure and so has credence as a functional economic market area
- Epping Forest District, Harlow and East Hertfordshire are an approximation of a functional economic market area, and one that was well established in the (now revoked) East of England Plan. Epping Forest District was seen as part of the London Arc of areas peripheral to London which are highly connected to and reliant on London
- The West Essex Strategic Housing Market Assessment (SHMA) Area, comprising East Hertfordshire, Epping Forest District, Harlow and Uttlesford. Work undertaken for the group of SHMA authorities (the Cooperation for Sustainable Development Board) in 2015 suggested that the core functional economic market area comprises these four local authority areas plus Broxbourne, and a fringe area to the FEMA comprises all of the adjacent local authorities and a link to London
- Epping Forest District has worked with the adjoining districts of Brentwood, Enfield and Broxbourne on various socio-economic issues in recent years
- The London Stansted Cambridge Corridor. This is probably the best approximation of a functional economic market area as it contains places where people live, work and spend their leisure time. However, it is somewhat large as a functional economic market area for the residents of Epping Forest District.

Figure 1.2: The West Essex Alliance

Figure 1.3: The East of England Plan Sub-Region

Figure 1.4: The Strategic Housing Market Assessment Area (SHMA)



The town and district of Harlow abuts Epping Forest District to the north-west, and has a very different socio-economic character. Harlow is a new town which has had a strong manufacturing base, but this has declined in recent years, in particular as a consequence of the global economic crisis. Harlow provides higher level facilities such as a district hospital and a further education college which is providing higher education. There are strong economic growth aspirations for Harlow expressed in part through the Enterprise Zone, and these are intended to benefit the whole of west Essex, as well as the town itself. Some proposals for the growth of Harlow include development in Epping Forest District, which would include a new motorway junction as well as residential and employment development. Whilst geographically adjacent and with significant opportunities for a strong functional relationship in the future, there is a limited functional relationship between Epping Forest District and Harlow at present.

In summary, Epping Forest District is part of a functional economic geography that extends well beyond its boundaries. This is best expressed at two levels:

- A strong core geography of Epping Forest District with good links south into parts of central London, with the potential for a much stronger functional relationship with Harlow in the future
- A less strong, but still functional wider economic geography which covers parts of central London, East Hertfordshire, Uttlesford, Brentwood, Broxbourne, Enfield, Stansted, Cambridge and Chelmsford.

3.2 The local economy

Epping Forest District is a largely rural area, and much of the District lies within the Green Belt. The District contains a number of settlements, some of which are on the periphery of the London conurbation, and others stand alone within a rural setting. Although it has a population of 126,000 (in 2012) the District does not have a single 'central place' or very large town. Therefore the higher level functions serving the population of Epping Forest District are found in some of the relatively accessible larger towns around it (outside the District), and there is no strong case for duplicating these within the District.

The District includes part of Epping Forest, which is a relatively low intensity visitor attraction. Other attractions in the District include Waltham Abbey and the Epping-Ongar heritage railway. These attract mostly day visitors.

As mentioned above, around half the resident working population commute to London. As a result the District is often perceived as a series of 'dormitory' settlements. Much of the employment that is located in Epping Forest District is in the service sector, often meeting the needs of local residents rather than exporting services to other areas. The construction sector is strong and includes two large administrative offices for major construction companies, as well as many construction contractors who are based in the District but travel out for daily work.

The glasshouse or horticultural industry has a long-standing and visible presence in Epping Forest District, as the larger part of a concentration of activity in the Lea Valley. This has declined from its peak in the 1950s but still provides significant crops for the London and UK markets. The local industry is struggling to compete with overseas growers, but there are plans in place to improve the competitiveness of local businesses. At present a large proportion of those employed in the industry are migrant foreign workers.

Epping Forest District does not have a strong manufacturing sector, but neighbouring Harlow does have a concentration of this type of employment. Harlow, as a new town, was established as a location for manufacturing employment. As mentioned above, it has suffered a loss of employment during the recent economic recession, but has aspirations to recover this and grow further. Enfield is also close to Epping Forest District and has one of London's largest concentration of manufacturing and distribution businesses.

There is some, limited, distribution activity in the District, most notably the Sainsbury's distribution centre at Waltham Abbey. There is some interest in developing further distribution activity in the District, but there are limited sites available for this.

3.2.1 Strengths

- Epping Forest District is an affluent area, with high earnings, low unemployment and low levels of deprivation
- It has a high quality natural environment which makes it an attractive place to live, which is safeguarded by the Green Belt and other environmental designations and enhanced by Epping Forest
- It is close to London which is economically vibrant, and many of its residents commute into London for employment

- As part of the London-Stansted-Cambridge Corridor, there are many high quality employment opportunities within commutable distance – particularly by car
- Much employment (in the District and of residents) is in the service sector, which is growing
- The District has a high concentration of economic activity in the construction sector which is currently vibrant as the London and national economies are entering a period of recovery
- Transport links are very good – particularly by Underground rail (into central London), mainline rail in the west, and by road – via the M25 and M11

3.2.2 Weaknesses

- Epping Forest District does not have a strong manufacturing sector
- Its dependence on employment in London means that its economic vitality is dependent on global economic trends
- There are few large employment areas in District
- Large parts of the stock of employment premises are ageing, albeit that little of the stock is rated as poor
- There are few employment sites available for development, constrained in particular by Special Areas of Conservation, Sites of Special Scientific Interest (most notably Epping Forest), the Green Belt and flood plains
- There are few large employers in the District
- There are few large office developments in the District, and most office accommodation tends to be small in scale
- Despite its affluence, there are pockets of deprivation, particularly in Waltham Abbey
- Some commentators believe that there is insufficient grow-on space in both the office and industrial sectors, which is causing some businesses to leave the District in order to achieve their growth potential
- Growth in the glasshouse industry is constrained by planning designations, constraints in the Lee Valley Regional Park and commercial pressures on site availability from other uses
- Much retail spend leaks out of the District, particularly comparison retail spend
- Some of the District's town centres – particularly Waltham Abbey and Debden –need significant investment to improve them
- Whilst some parts of the District have good access to strategic transport networks (road, rail and underground), others, particularly the more rural parts of the District, do not or are affected by congestion, and this may lead to lack of or dis-investment
- There is very little high quality tourist accommodation, which constrains the economic potential of the sector

3.2.3 Opportunities

- The private sector has shown a willingness to invest in the delivery of (relatively small scale) high quality flexible office space (e.g. the M25 Business Centre at Waltham Abbey), and more investment of this type could be encouraged and enabled
- The development of a proposed M11 Junction 7a to the north-east of Harlow (in Epping Forest District) would support the growth of Harlow which would benefit the residents of Epping Forest District, and enable further direct development – both residential and employment – in Epping Forest District

- Employment growth in Harlow, including high quality employment on the Enterprise Zone sites could create jobs for some residents of Epping Forest District
- The proposed regeneration of Debden Broadway, including the Underground rail station, could lead to a transformation of the economic role of this area, and improve transport linkages in this part of the District
- Epping Forest District Council owns significant assets, including industrial sites and premises, and they could be used to drive regeneration in existing employment areas in the District
- Investment in the town centres to maintain their vitality, but not attempt to directly compete with the large regional retail centres, could support growth and future prosperity
- There is potential to introduce commuter train services from Ongar along the Epping-Ongar railway, but this will require some investment. Suggestions have also been made for a park-and-ride facility at North Weald Airfield that could link in to this service, but the viability of this is uncertain
- There is potential to increase the scale and quality of tourism in the District, including both leisure tourism and business tourism related to London. Epping Forest District Council is employing a tourism officer on a temporary basis, which could help with the coordination and support for the growth of the sector
- There is a Chinese inward investment presence at the 'Phoenix Epping Hotel' (located near North Weald Bassett), which could be supported to encourage more foreign inward investment into the local area
- Review of the Green Belt could both release some new sites for employment, and strengthen the role of the remaining Green Belt in the District
- There is scope for both greater employment of local people in the existing glasshouse industry, and employment in new jobs created in the growth of the industry; both responding to the increasing demand for food in the UK and the greater need for food security
- Activity proposed by the Lea Valley Food Taskforce could lead to a significant increase in the quality of the sector, creating high quality jobs in the local area

3.2.4 Threats

- Epping Forest District Council has historically invested little resource in economic development and inward investment. Whilst the District's economy has remained buoyant, it may not realise its future growth potential unless a more pro-active approach to economic development and growth is taken
- The Underground rail line from Epping Forest District into London is at capacity in places, and so limits the scope for further commuting into central London. However, the opening of Crossrail planned for 2018 should help to alleviate congestion on the Central Line
- Epping Forest District has an older population than the England average. As this gets older, the working-age population declines in relative terms, which could restrict future economic growth (albeit that the increased state pension age and later retirement may lead to some offset of this)
- Strong residential prices mean that employment developments may not be as appealing to developers

3.3 Epping Forest District Council assets

Epping Forest District Council owns a number of assets – sites and buildings – that generate income for the Council. Some of these assets could play a role in regeneration and employment development schemes or catalysing renewal in existing employment areas. At present the majority are likely to be retained for their income generation potential. Any receipts from disposals of assets will be re-invested to improve the quality of the remaining asset base.

The assets owned by the Council include:

- North Weald Airfield – where there are significant regeneration and development proposals, but also significant costs including upgrades to the runway
- Debden Broadway shopping centre, where there are proposals for significant regeneration
- Industrial premises in Debden and Waltham Abbey
- A depot in Langston Road which is being developed for a new retail park
- Shops, pubs, car parks
- Parts of the St John's Road development site in Epping

Of these assets, investment in and development of the assets at North Weald Airfield, Debden and Waltham Abbey could contribute most to economic growth and further employment creation.

4 Future Change in the Epping Forest District Economy

This section summarises more detailed analysis that is set out in Appendix 2 (vision for employment growth and barriers to growth) and Appendix 3 (quantitative demand assessment). This sections sets out the vision(s) for employment growth in Epping Forest District, a quantitative assessment of the potential of the District, and the potential barriers to that employment growth taking place.

4.1 Visions for growth

The future economic role of Epping Forest District is intertwined with its functional economic market area (discussed in more detail above). Major economic growth locations in the core and broader functional economic market areas include Harlow and its Enterprise Zone, and London. It is worth noting that the scale of growth being pursued by Harlow Council is significantly greater than that projected in the EEFM. Future growth in the London economy, the aspirational growth plans for Harlow, and growth in other nearby towns and locations (outside the District) will continue to create employment outside the District, which will provide opportunities for Epping Forest District residents.

Within the District boundary, development plans at North Weald Airfield, plans for Langston Road, the growth of the food sector and glasshouse industry, some enhanced employment in the rural part of the District, and development in the District's town centres will provide the majority of the indigenous growth. Protecting and enhancing existing employment areas is very important, as well as designating new areas. Tourism has also been identified as an opportunity for growth. The nascent cluster of Chinese business activity at the Phoenix hotel and business centre could possibly play an important role in the District's economic future, leading to further inward investment.

The employment growth strategies and plans that will drive the future economic growth of Epping Forest District and the functional economic market area that it is part of include are discussed below. These are summarised in the figure below.

Figure 4.1: Visions for growth affecting Epping Forest District

Vision	Focus
Epping Forest District Council's own plans for employment growth within the District boundary	These are currently being developed. Areas of focus for future employment growth include: the glasshouse industry; tourism; transport and broadband infrastructure; skills development; North Weald Airfield; and links to the medical technologies supply chain focus of the Harlow Enterprise Zone.
Harlow Enterprise Zone	The plans for the Enterprise Zone are intended to support a broader area – West Essex - which includes Epping Forest District. This could create up to 5,000 new high quality jobs. Its sector focus is on ICT, Advanced Manufacturing and Life Sciences
West Essex Alliance	The West Essex Alliance (comprising Epping Forest District, Harlow and Uttlesford) is promoting economic prosperity in West Essex through the Essex County and South East LEP structures. Its objectives include: creating new businesses; retaining and

Vision	Focus
	growing existing businesses; increasing inward investment and tourism; and sustainable economic growth and regeneration
The Cooperation for Sustainable Development Board (the core Member Councils are East Hertfordshire, Epping Forest, Harlow and Uttlesford District Councils, but other nearby Councils and County Councils also form part of the group)	The CSDB has been established to consider cross-border issues including housing and employment growth projections for the four core local authorities, to inform the development of their local plans. Work has been done on both housing and employment growth, and is used further in this study
Essex County Council's plans for future employment growth	West Essex (M11 corridor) is a designated sub-area within this. The West Essex projects identified to support employment growth in the draft Economic Plan for Essex are North Weald Airfield and Airfield, the Harlow Enterprise Zone, and other complementary developments in Harlow
The South East LEP's plans for economic growth	The West Essex Alliance (mentioned above) is a member of the South East LEP, and sits within the Essex delivery partnership. The Essex strategic projects are listed above. North Weald Airfield is named in the Economic Plan for Essex
The London-Stansted-Cambridge Corridor	Epping Forest District sits within the corridor, and will benefit from the growth in terms of both employment in the District and jobs for residents outside the District. Sector strengths that will be promoted in the corridor include: life sciences and medical; IT, digital and media; low carbon, clean tech and energy from waste; food production; business services; and engineering, transport, logistics and distribution

4.2 Quantitative assessment of demand

The assessment of future requirements contained within this report is not designed to be a detailed prediction of exactly what will happen in the future in Epping Forest District. Any exercise which includes an element of forecasting includes substantial risk and uncertainty. Therefore, the results of this exercise are not intended to be the basis of a 'predict and provide' policy response. Rather, the approach is designed to bring together available evidence in order that there is a clear basis on which to consider policy options, in conjunction with other complementary, or potentially competing evidence. In particular, the method has been designed in line with national policy and best practice guidance to help inform the development of the Epping Forest District Local Plan, specifically to inform policies around the provision of land for employment. Policies should be regularly reviewed in the light of new evidence and the passing of time as part of the on-going planning policy development and review process.

The quantitative assessment of demand considers the whole of the Epping Forest District economy, and the way it is influenced by projected growth in other parts of the FEMA and surrounding areas, drawn from the work undertaken for the Cooperation for Sustainable Development Board[2].

Slightly different methodologies are used for considering the land and floorspace implications of employment change within different Use Classes. These result from the varying availability of robust evidence to inform assumptions and the level of maturity of assessment techniques.

The B Use Class includes business, industrial and storage/distribution uses. These have often been viewed as the primary employment Use Classes, however, it is often the case that a minority of jobs are actually accommodated within sites and premises classified within the B Use Classes. Many jobs fall within other Use Classes including jobs in retail, customer services, hotels, leisure and catering, health, education and construction. Some jobs are entirely mobile and require no sites or premises base at all.

Our approach to assessing the scale of growth within the B Use Class is summarised in the figure below (and is described in more detail in Appendix 3).

Figure 4.2: Assessing employment in the B Use Class

There is available information to make an assessment of net additional floorspace requirements using the employment density method for A Use Classes. However, there are also other more traditional methods for assessing future floorspace requirements, particularly for retail use. As a result, the assessment within this analysis is set out as indicative.

Outside the A and B Use Classes the information available to allow the translation of jobs to floorspace is insufficient to complete a full and robust assessment of future requirements. There is a very wide range of activities within Use Classes with hugely varying sites and premises requirements and therefore other more qualitative approaches are required.

The results of the quantitative assessment are tested against historic patterns of activity, alternative growth scenarios and other available evidence of a more qualitative nature to aid interpretation of the results and set the results in a wider context.

4.3 Economic futures

4.3.1 Headline projections

A key element of considering future employment land and property requirements is an understanding of the likely pattern of economic and employment change in Epping Forest District. Forecasts for Epping Forest District and the wider FEMA were drawn from the East of England Forecasting Model (EEFM). The EEFM is an econometric model developed by Oxford Economics providing consistent forecasting information for the whole of the East of England region and its constituent areas. The EEFM 2014 model has been used to provide a baseline view of the economy as well as to test alternative scenarios[4]. All data referred to in this chapter is drawn from the EEFM. These may not exactly mirror official published statistics, particularly as a result of the integration of agriculture within employment measures which are typically not well dealt with in the main official datasets.

Analysis of the EEFM was undertaken at the sub-regional level to ensure alignment with the SHMA[2]. As part of this analysis an adjusted EEFM scenario, taking account of Stansted growth was developed. This scenario, based on 1,895 jobs per annum (jpa) across the strategic housing market area, has been adopted as the basis for the analysis in this report. This is an increase from the EEFM baseline of 1,590 jpa. The sub-regional total was apportioned to each constituent authority area, with Epping Forest District allocated a figure of 400 – 455 jpa across the 2011-33 plan period. The sub-regional report should be read for full details of how this was done, but in summary the apportionment was based on (1) the EEFM forecast distribution of future employment growth and (2) the historic distribution of employment across the SHMA.

The details are set out in Figure 4.3, and it should be noted that these figures are different ways of apportioning the total of 1,895 jobs per annum between the four Districts[5].

Figure 4.3: HMA-wide Workplace Based Jobs Scenarios

	EEFM 2014 Baseline				Stansted Growth Scenario
	2011	2033	2011-33	Jobs per annum	Jobs per annum
East Herts DC	66,785	76,750	9,960	455	435 - 505
Epping Forest DC	57,545	67,880	10,335	470	400 - 455
Harlow DC	42,230	49,815	7,585	345	325 - 335
Uttlesford DC	43,390	50,465	7,080	320	665 - 675
HMA	209,955	244,915	34,965	1,590	1,895

N.b. Figures may not sum due to rounding

The Epping Forest District scenario of 400 to 455 jpa compares to the original EEFM 2014 Baseline derived figure of 470 jpa. The slight downward adjustment from 470 jpa to 455 jpa is as a result of growth at Stansted drawing labour and economic activity away from other parts of the sub-region. The reduction of 15 jpa is very modest[6]. The 400 jobs per annum scenario results from an alternative distribution of jobs across the housing market area based on the current (recent history) distribution of workplace based jobs, as mentioned above and described in more detail in the sub-regional report. Sectoral employment projections for Epping Forest District have been remodelled

4 The EEFM 2014 runs to 2031. The forecasts have been extended to 2033 by extrapolating the long term trends from the period 2028-31.

5 If one or more Districts plans for growth at the top of their range, others will plan for growth closer to the bottom of their range, so that the total remains at 1,895 jpa across the four Districts

6 To set in context, the EEFM Baseline projects total workplace based employment growth of 0.75% per annum. The Stansted Scenario projects 0.73% per annum. The 400 jpa adjusted scenario projects growth of 0.65% per annum.

to take account of the two headline employment projections emerging from the sub-regional work. The following adjustments from the baseline have been made:

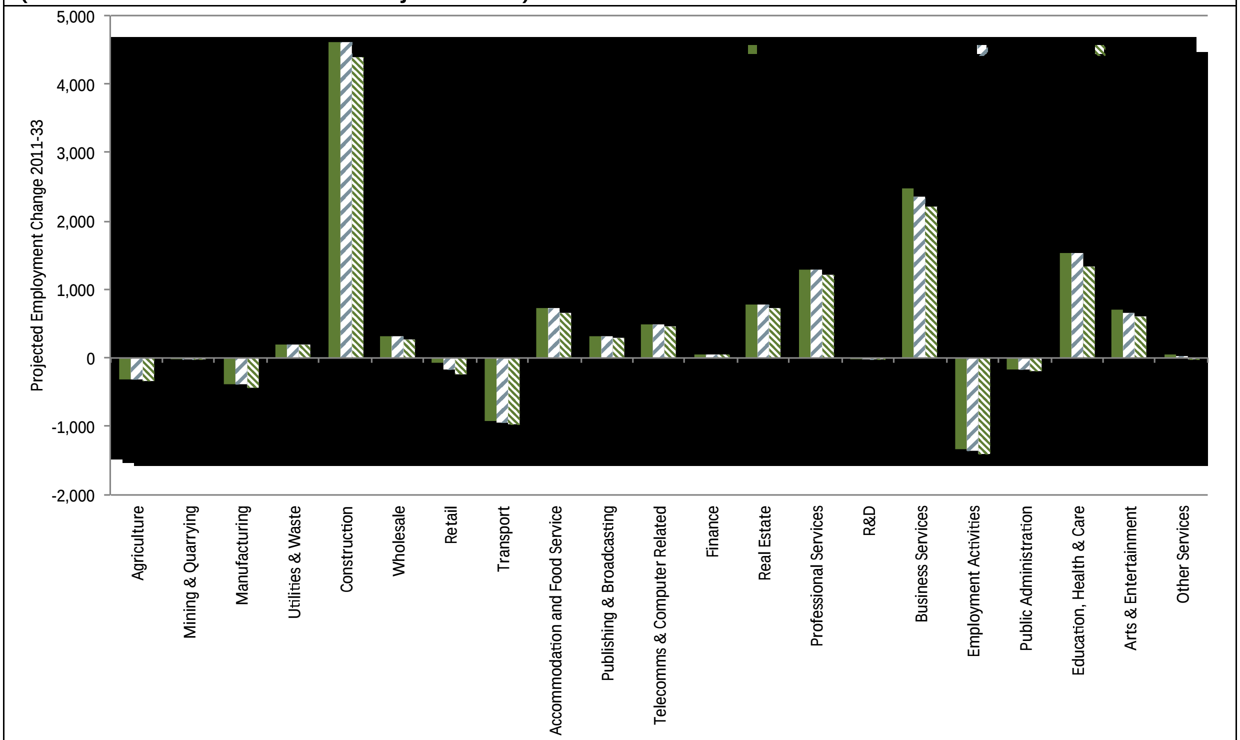
- 455 jpa scenario: 15 jpa reduction apportioned across sectors in line with commentary within technical evidence underpinning the Stansted Sustainable Development Plan 2015[7]. (30% retail, 10% land transport, 30% business services, 10% employment activities, 10% arts and entertainment and 10% other services).
- 400 jpa scenario: adjustment to all sectoral growth rates of 0.0815% per annum.

4.3.2 Sectoral Projections

Figure 4.4 shows the projected absolute change in employment by sector in Epping Forest District across the two scenarios being considered. This shows that the greatest number of additional jobs is projected to be within the Construction sector, with 4,400 – 4,600 new jobs over the plan period. Around half of this growth is recovery of jobs lost through the recent downturn. Other sectors projected to grow substantially in absolute terms include Business Services, Education, Health & Care and Professional Services.

Employment decline is projected in a number of sectors, most notably Transport and Employment Activities but also Agriculture, Manufacturing, Public Administration and Retail. The decline in Agriculture may not fully reflect potential opportunities for growth in the glasshouse industry in Epping Forest District.

Figure 4.4: Projected employment change by sector in Epping Forest District 2011-33 (Source: EEFM 2014 and HJA adjustments)



[7] Economic Impact of Stansted Scenarios, Oxford Economics, 2013, for London Stansted Corridor Consortium

4.3.3 Use Class Projections

Sectoral employment projections have been translated into employment change by Use Class, using the Sector – Use Class matrix included in Appendix 3 to this report.

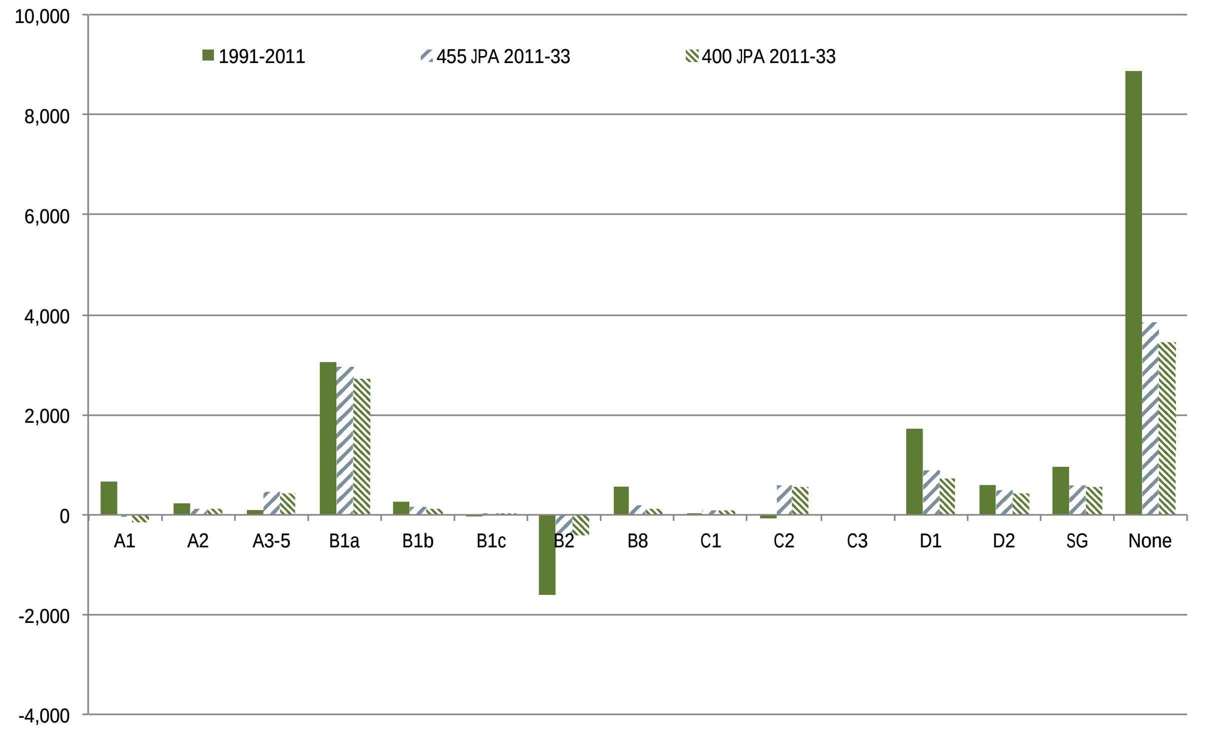
Figure 4.5 sets out these results. This sets the two forecast scenarios against historic employment change over the period 1991-2011. This shows the substantial projected growth of jobs with no direct sites and premises requirements. This is fuelled by projected growth in sectors including: Construction and cleaning (classified within the Business Services sector and a major employment sector in Epping Forest District).

B1a office employment is projected to grow strongly, fuelled by a range of sectors including elements of Real Estate, Computer Related Activity, Finance, Professional Services and Business Services. There is projected growth in B8 activities, although to a lesser extent than the historical period.

Growth is projected across the C and D Use Classes. In the case of the C Use Class this is greater than in the historical period. Growth in the D Use Classes is projected to be lower than the historical period. There is a projected growth in A3-5 Use Classes employment, much greater than the historical period as well as in employment within A2 and Sui Generis activities.

There is anticipated employment decline in the A1 Use Class, in contrast to growth in the historical period. There is a projected continued decline in B2 employment, but at a much more modest level than the decline experienced 1991-2011.

Figure 4.5: Employment change by Use Class in Epping Forest District (Source: HJA based on EEFM 2013 Baseline)



Appendix 3 sets out the detailed results broken down by five year time period.

4.4 Estimating future requirements

When considering the impact of net changes in employment upon future sites and premises requirements it is necessary to highlight the caveat that some employment change could be absorbed within current floorspace. That is, existing employers increasing employment with no need for additional floorspace and other employers reducing headcount without releasing floorspace to the market. The nature of the property market with lease structures and freehold ownership is such that floorspace requirements will not adjust in a perfect correlation with employment. Nevertheless, over the course of the entire Local Plan period there is likely to be scope for adjustments to be made.

4.4.1 Net additional requirement

The following figure summarises the results of analysis to estimate net additional future property and sites requirements for the various employment accommodating Use Classes.

Figure 4.6: Summary –Net Additional Requirements for Epping Forest District 2011-33 (figures may not sum due to rounding)

Use Class	Projected Employment Change (jobs)	Projected Net Additional Floorspace Requirement	Projected Net Additional Land Requirement
A1	-130 to -30	-3,000 to -700 sq m	Uncertain
A2	120 to 140	2,400 to 2,700 sq m	0.3 to 0.4 ha
A3-5	410 to 460	8,900 to 9,900 sq m	Uncertain
B1a	2,720 to 2,950	32,600 to 35,400 sq m	8.1 to 8.8 ha
B1b/c	160 to 170	5,800 to 6,300 sq m	1.5 ha
B2	-420 to -390	-15,900 to -14,600 sq m	-4.0 to -3.7 ha *Estimated 2 ha might be available for re-use*
B8	120 to 180	9,400 to 13,300	2.3 to 3.3 ha
C1	80 to 90	50 to 190 hotel rooms	Uncertain
C2	550 to 600	Uncertain	Uncertain
D1	740 to 880	Uncertain	Uncertain
D2	440 to 480	30,000 to 33,000 sq m	*c* 7.5 to 8.2 ha
Sui Generis	550 to 600	Non quantifiable	Non quantifiable

4.4.2 Churn and replacement

The following analysis relates only to the B Use Classes. It is assumed that the majority of A, C and D Use Class redevelopment activity that would be required would take place at existing locations and no major new provision of sites is required to facilitate such replacement activity e.g. town centre redevelopment would take place at current town centres and not require a major town centre relocation. There has been no evidence presented to suggest that this is not the case.

The methodology employed for estimating the level of replacement demand assumes that a proportion of the total existing stock of employment property is replaced each year to ensure the overall stock of premises is appropriate to modern needs in terms of both building quality and site characteristics. This is particularly important for the manufacturing sector where ongoing development of industrial premises has been observed, despite a decline in employment in the sector over many years.

In Epping Forest District, the supply review suggests there is some ageing stock, particularly in the Waltham Abbey and Oakwood Hill areas, and although there are no huge pressures to bring redevelopment it is likely that there will be a need to upgrade some of the stock over the course of the Local Plan period as it becomes unfit for purpose. A significant amount of industrial stock will be in excess of 70 years of age by the end of the plan period without redevelopment.

It has also been suggested by local agents that the permitted development rights (PDR) relating to office space will create a requirement to replace lost office stocks. The situation regarding PDRs is somewhat uncertain, with speculation that the original temporary three year period for PDRs will be extended or made permanent and the potential for further employment Use Classes to be added. However, whilst consultation on such plans was undertaken by government, no policy has as yet been enacted. Data provided by Epping Forest District Council relating to the fiscal year 2014/15 indicated a loss of 9,356 sq m of office stock via PDRs, although it is not certain that all approvals have been enacted. This included a mix of small and large schemes[8] and equates to more than 8% of total office stock in the district. It is uncertain as to whether the pace of PDR conversion would be higher, lower or in line with that experienced over the 2014/15 period so it is not possible to make accurate projections. However, provision should be made to at least re-provide that which has been lost and the need to provide an additional buffer to off-set further losses should be borne in mind when shaping policy.

Based on what can be observed in the data, and what is known of the property market, it is assumed that provision should be made for 1% of commercial stock to be replaced each year. This is equivalent to the entire stock of employment property being replaced over a 100-year period. Further details relating to this assumption are contained in Appendix 3 to this report.

The stock based assumption set out above indicates a total level of replacement activity one might expect to observe in the property market. However, it does not consider whether this replacement activity takes place on existing employment sites (replacing or refurbishing one building with another on the same plot of land) or whether currently unoccupied land needs to be made available. The evidence and market observation suggest there will be elements of both. Given the density of development in the southern parts of the district it is likely that redevelopment will need to take place on existing sites whilst accepting there may be constraints (e.g. remediation, infrastructure, ownership) and some may not be attractive to the market for redevelopment or reoccupation. For the purposes of this analysis we assume that 50% of replacement activity requires appropriate supply to be made available through new allocations[9]. This therefore equates to a need to

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[8] The largest of which include 5,000 sq m at Fyfield Business Park, Ongar comprising seven units. 1,630 sq m at Conquest House, Waltham Abbey and 1,278 sq m at Hillgrove Business Park, Nazeing. A further large application relating to 1,430 sq m of office space was withdrawn.

[9] Given the density of development in the southern parts of the district it is likely that redevelopment will need to take place on existing sites whilst accepting there may be constraints (e.g. remediation, infrastructure, ownership) and some may not be attractive to the market for redevelopment or reoccupation. For the

accommodate 0.5% of stock each year, or 11% over the course of the 22 year Local Plan period. This is translated into land requirements assuming a development density of 40% for industrial development and a range of 40% to 100% for office development to highlight the range of development types.

Table 4.7 sets out the results of this analysis. This shows total replacement requirement for offices at around 2.5 times the losses already recorded as a result of PDRs to date. If PDR for office to residential are extended then there may be a need to boost provision for potential office development. In land terms a requirement for 1.2 – 3.1 hectares is estimated for offices. A much greater figure for industrial replacement is estimated, at 13.7 hectares. This reflects the much larger industrial stock in the District at present and the need to ensure this remains fit for purpose.

Table 4.7: Estimates of Requirements for Churn and Replacement

Use Class	Total Stock (2012)	Total Replacement (1% of stock per annum)		Requiring New Sites (50% of Total)		
		Total Replacement (1% per annum)	Plan Period (22 Years)	Per Annum	Plan period (22 Years)	Projected Net Additional Land Requirement
B1a	111,000 sq m	1,110 sq m	24,420 sq m	555 sq m	12,210 sq m	1.2 - 3.1 ha
B1b/c/B2/B8	498,000 sq m	4,980 sq m	109,560 sq m	2,490 sq m	54,780 sq m	13.7 ha

4.4.3 Choice and flexibility

Two core components are added to take account of choice and flexibility. Firstly, a percentage uplift of the combined requirement for net additional and churn/replacement is applied to ensure an allowance for range and choice is incorporated. This uplift also builds in some additional flexibility to allow the normal frictional movement in the market. An uplift of 10% has been applied.

4.4.4 Combined results

Table 4.8 draws together the results of the various components within the quantitative assessment to provide an indication of potential future requirements for Epping Forest District. This sets out floorspace data across the Use Classes where it is possible to estimate future requirements. For the B Use Classes a more detailed assessment captures the need for replacement activity and converts to land requirements. This is split by office and industrial requirements. No aggregate totals are provided given the different Use Classes.

purposes of this analysis we assume that 50% of replacement activity requires appropriate supply to be made available through new allocations.

Figure 4.8: Results of Quantitative Assessment

	Net Additional Floorspace (Sq m)	Net Additional Land (ha)	Replacement (ha)	Choice (ha)	Core Requirement
A1	-3,000 to -700 sq m	Uncertain	n/a		
A2	2,400 to 2,700 sq m	Uncertain	n/a		
A3-5	8,900 to 9,900 sq m	Uncertain	n/a		
B1a	32,600 to 35,400 sq m	8.1 to 8.8 ha	1.2 to 3.1	0.9 to 1.2	10.2 to 13.3
B1b/c	5,800 to 6,300 sq m	1.5 ha			
B2	-15,900 to -14,600 sq m	-4.0 to -3.7 ha *Estimated 2 ha might be available for re-use*	13.7	1.8 to 1.9	17.3 to 18.3 *Includes reduction of 2ha based on reduced overall requirement*
B8	9,400 to 13,300	2.3 to 3.3 ha			
C1	50 to 190 hotel rooms	Uncertain	n/a		
C2	Uncertain	Uncertain	n/a		
D1	Uncertain	Uncertain	n/a		
D2	30,000 to 33,000 sq m	*c* 7.5 to 8.2 ha	n/a	0.8	8.3 to 9.0
Sui Generis	Non quantifiable	Non quantifiable	n/a		

4.5 Testing the results

4.5.1 Historic Take-Up and Market Context

Epping Forest DC monitors development through the Annual Monitoring Report (AMR), with records available from 2006-07 to 2014-15. The AMRs report take-up based on planning application approvals. As a result the data does not record development completions and given that a proportion of applications will not be implemented the figures as reported below are likely to be overstating actual completions.

The main focus is on the B Use Classes, with some data on A and D Use Classes available from 2007-08 and 2008-09 respectively. Data on the B Use Classes reflects the fact that many schemes incorporate a mix of B1, B2 and B8 elements. Therefore, it is not possible to accurately disaggregate the individual B Use Classes from the data that is available, although there is clear evidence of gains and losses in each of the Classes. The following analysis is based on the best available data following a data cleansing exercise with EFDC officers.

Gross gains[10] in B Use Class development average approximately 21,000 sq m per annum. Gross losses[11] of B Use Class premises are approximately 13,000 sq m per annum. The net change is therefore approximately +8,000 sq m per annum. This suggests a higher level of gross completions than is projected by the quantitative assessment set out above[12].

[10] Data has been adjusted to remove applications for continued use or retrospective use. This therefore captures gross new floorspace. It does not take account of any losses of floorspace that are provided in the process of redevelopment.
[11] This includes losses as part of redevelopment of B Use Class premises and losses to other Use Classes. It only measures losses recorded as part of a planning application.
[12] To compare like with like the total estimate for replacement activity is added to the net additional requirement to create an estimate of gross completions. This creates an estimated level of future completions of 8,300 sq m – 8,700 sq m per annum in the quantitative assessment.

Using the AMR data it is assessed that more than 61% of gross B Use Class gains result from change of use or direct on-site replacement. The corollary is that only 36% of total new development activity is taking place on land that was previously vacant.

Around 5% of gross development is assessed as extensions to existing premises. Therefore the level of development that appears to be on new development plots is approximately one third of total new B Use Class floorspace. This equates to around 7,000 sq m per annum.

The outputs of the quantitative analysis set out previously suggest a requirement for approximately 5,200 – 5,500 sq m per annum of development on new sites in the B Use Class (net additions plus replacement on new sites). This is some 25% below the level indicated by the historic data. The potential reasons for this include:

- Historic data based on applications rather than completions
- Uncertainty when forecasting
- Lower projected net employment growth in B Use Classes than historically – by a factor of 30% - 40%

On this basis there is no clear evidence to suggest any need for major adjustment to the figures emerging from the quantitative analysis, even though gross levels of activity appear greater. The quantitative assessment also includes a 10% uplift for choice and to cover frictional movement which provides some additional flexibility.

4.5.2 Planned Developments in the Sub-Region

The scenarios tested in the quantitative assessment are based on the EEFM which adopts a 'business as usual' approach. The EEFM does not take account of major 'game changers'. In adjusting the EEFM baseline to take account of growth plans at Stansted there has been an element of adjustment. However, there are potential developments which need to be at least considered.

Within Epping Forest District the most significant potential game changer is an additional motorway junction on the M11 (junction 7A). This may open up new development land in the north of the district in close proximity to Harlow. However this remains a long term proposal.

The more significant employment generating developments influencing Epping Forest District, recent and planned, lie outside the district boundaries. For example:

- Retail – Westfield Stratford and Bluewater continue to provide significant comparison shopping destinations.
- Office – Stratford is becoming a significant office location and the Park Plaza developments within Broxbourne have the potential to provide a further significant employment location to the west of Epping Forest District.
- Industrial – Enfield is recognised as the major industrial location in the area.
- Harlow – has substantial growth ambition to the immediate north of the district with substantial employment development opportunity sites with Enterprise Zone status and improved connectivity via the Junction 7a proposals.
- London – there is no anticipated slow-down in the role of London as an economic hub. This will continue to provide a major economic growth pole to the immediate south of the district.

There is no strong policy aspiration to see substantive growth in Epping Forest District. However, there are growth opportunities elsewhere within the FEMA. The focus for Epping Forest District is to maintain a healthy economy delivering incremental growth. The development of Junction 7a may come forward later in the plan period and should be considered as part of any plan review. The economic aspiration and opportunity does not suggest a need for major revision to the assessment of future requirements.

4.5.3 Labour Market Capacity

The East Herts and West Essex SHMA sets out the demographic and housing evidence[3]. HJA prepared economic evidence to inform the development of the SHMA to ensure alignment between the two topics. On a sub-regional (HMA/FEMA) basis the evidence has been developed to ensure the demand and supply of labour are broadly in balance given current available evidence.

4.6 Constraints to growth

Despite projections, plans and strategies for economic growth and forecast levels of economic growth, there are still a number of constraints that need to be overcome in order to enable employment growth to take place. The main constraints to growth in Epping Forest District include:

- The limited availability of suitable employment sites within the Epping Forest District boundary, in large part due to Special Areas of Conservation, Sites of Special Scientific Interest (most notably Epping Forest), Green Belt and flood plain constraints. A Green Belt review is being undertaken as part of the Local Plan process, which will identify any areas that could possibly be released from the Green Belt
- Lack of a ‘central place’ with a critical mass of activity within the District boundary. The ‘central places’ that provide the higher level services and opportunities for Epping Forest District residents include Harlow and London
- The level and suitability of local residents’ skills to enable them to access the employment opportunities that are created locally. An example of how this is being addressed is the provision of horticultural focused courses at Epping Forest College to enable local people to gain the skills needed to work in the glasshouse industry
- Constraints on working age population growth and a need to increase economic activity and employment rates or adjust commuting patterns to meet baseline employment growth projections
- Transport infrastructure constraints which include:
  - Some parts of the road network are at capacity, and so restrict further development. The most notable capacity constraint is M11 Junction 7, which could be relieved through both direct improvements to the junction itself, and the delivery of a new Junction 7a
  - Central Line rail capacity constraints which will prevent much more commuting into London. However, the opening of Crossrail planned for 2018 should help to alleviate congestion on the Central Line
  - General accessibility to mainline rail which prevents more commuting, albeit that it is good in parts of the District
- Housing affordability in Epping Forest District is difficult for many people, particularly young people on moderate incomes. Whilst already having an impact, left unchecked poor housing affordability could further push economically active younger people out of the District.

5 Delivering Future Employment Growth

Future economic growth for Epping Forest District comprises two main elements:

- Economic and employment growth accommodated within the District boundary
- Economic and employment growth in the functional economic market area, creating employment opportunities for District residents outside the District boundary

This section deals mostly with the former, because this growth has implications for the Local Plan. However, there are a number of ways in which the latter can be influenced e.g. through Epping Forest District Council's role on the Harlow Enterprise Zone board, through its membership of the South East LEP and London-Stansted-Cambridge Corridor or through improving connectivity to London. These need to be considered as part of the District's economic development strategy, remembering that economic growth drivers work across functional economic market areas, and are not constrained within local authority boundaries.

5.1 Growth within Epping Forest District

5.1.1 North Weald Airfield

North Weald Airfield offers the largest potential area for economic and employment development in Epping Forest District. Following extensive technical work and consultation it is likely that private flying will continue from the airfield, although there are no plans for significant growth in commercial air traffic. Part of the site will be developed for both employment and residential uses, so any employment needs to be suitable for close proximity to residential development. Aviation related employment has been mooted for the site. Its proximity to M11 Junction 7 would make it an attractive location for distribution-related activities, although there is little appetite for significant amounts of distribution related employment, and there are capacity constraints on the motorway junction. With no direct rail link to the site it is unlikely to be developed as a major office location, although there is some desire to reinstate commuter services on the Epping-Ongar railway line which runs close to the site.

This site could accommodate growth in office-based activity, distribution and some specialist manufacturing – preferably related to aviation.

5.1.2 Langston Road

Langston Road in Debden has a significant site as a development opportunity – currently proposed for a retail park - in an already established employment area. There are already a range of employment activities in Langston Road, including both manufacturing and major office-based activities. Its proximity to Debden Station on the London Underground Central line makes it an attractive location for high-density employment. Development in this area will be important given the paucity of new employment sites in the south of the District.

This site could accommodate some growth in office-based activity.

5.1.3 The food sector

The Lea Valley Food Task Force, which covers a larger area than Epping Forest District, is developing plans for the future growth of the food sector, including the glasshouse industry. Plans include the development of the glasshouse industry, better engagement of local young people into the workforce, training for young people to provide them with the necessary skills, and ideas for a national institute for food security in partnership with a university.

The glasshouse industry provides two areas of opportunity for future employment and economic growth. The first is the employment of local workers in the existing sector – effectively displacing immigrant labour – and the second is in the growth of the industry and new jobs that will be created. The industry appears to have good growth prospects, and food has been agreed as one of the sector priorities for the London-Stansted-Cambridge Corridor. The industry offers a range of employment opportunities, including jobs for lower skilled workers, but with a forward career path. Historically it has concentrated in the Lea Valley, but in future the industry aspires to grow across a broader area with less constraint on its growth.

This sector will create a range of jobs, with many of these being relatively low skilled.

5.1.4 Rural development

Most of rural Epping Forest District is in the Green Belt, so there is limited scope for large-scale development. However, there is a desire to maintain economic vitality in the rural parts of the District, through farm diversification, re-use of redundant buildings and some limited development that is suitable within the Green Belt (potentially including glasshouses). Where possible there is a desire to relocate businesses with significant road transport requirements away from sensitive areas to better connected areas. This would release sites that could be used for small-scale employment developments.

A Local Action Group (LAG) has been established which contains the rural parts of Epping Forest District – the Eastern Plateau LAG. This aims to support the establishment and growth of businesses in rural areas, including farm diversification. Rural development will create jobs in a range of sectors, most likely in small businesses.

5.1.5 Town centres

There is a desire to promote significant regeneration in Waltham Abbey town centre, including enhancing its role as a tourist destination. The proposed regeneration of Debden Broadway could create opportunities for some office-based employment. It will also create opportunities for new employment in retail. The proposed regeneration of St John's Road Epping should create some retail employment opportunities, some leisure employment opportunities and may include some office accommodation.

Less intensive development activity is envisaged in other town centres, in an effort to attract local shoppers and visitors to make more use of them. The town centres cannot compete directly with the significant regional comparison shopping centres (such as Bluewater, Westfield Stratford City and others), so need to provide a distinctive offer in terms of independent shopping, leisure and tourism. Epping's weekly market is a good example of this. A broad desire has been expressed to make better economic use of the town centres through more office activity, especially above shops. However, at present this conflicts with a drive to deliver residential accommodation above shops.

Town centre development could create employment opportunities in retail, leisure and office-based activities. This is discussed in more detail in Chapter 7.

5.1.6 Tourism

Epping Forest District would like to derive more benefit from its current tourist attractions, including Epping Forest, Waltham Abbey, Epping-Ongar Railway, and the nearby Lee Valley Whitewater Centre. It also has the potential to benefit from business visitors to London and the South East.

Growth in this sector could create a number of jobs across the District. Tourism typically creates relatively low skilled jobs.

5.1.7 Chinese businesses

The Phoenix publishing group has recently established a base at the Phoenix hotel and business centre near North Weald Bassett. This is intended as a touch-down base for Chinese business visitors to the UK, and could lead to the establishment of more Chinese businesses in Epping Forest District.

The growth potential of this opportunity is unknown, although it could be significant if further Chinese inward investment is captured in Epping Forest District.

5.1.8 Care homes

Invest Essex, the inward investment agency for Essex, has been approached with a number of enquiries seeking sites for specialist dementia care homes in Epping Forest District. These could create a range of jobs of different qualities. They are typically seeking greenfield sites, and may generate low employment densities. However, this is likely to be a growing market in the future.

The care homes market is one that is looking for sites throughout the London periphery and is not specific to Epping Forest District. It could create a range of jobs, from very high skilled to less skilled.

5.1.9 Further education colleges

Epping Forest College is based in Debden and has more of a focus on vocational and service sector skills such as hairdressing. Harlow College has some higher-level functions, including a university centre in partnership with Anglia Ruskin University, and supports the advanced manufacturing sector in the local area.

Aligning both colleges to the future skills requirements of sectors' growth opportunities will be important.

5.2 Growth in the functional economic market area

Recent work undertaken to inform the Strategic Housing Market Assessment[2] developed growth projections for each of the four core local authorities in the strategic housing market area. This work is discussed in detail on the separate report on this, and the conclusions are summarised in the figure below. It should be noted that these figures are different ways of apportioning the total of 1,895 jobs per annum between the four Districts[13].

Figure 5.1: Job growth projections (including Stansted) and emerging evidence base figures

	Job growth per year - based on historic share of total SHMA area jobs	Job growth per year - based on EEFM projected share of total SHMA area jobs	Target range for job growth	Job growth per year - derived from Local Plan emerging evidence bases
East Herts DC	505	435	435 - 505	510
Epping Forest DC	400	455	400 - 455	410
Harlow DC	325	335	325 - 335	400 - 600
Uttlesford DC	665	675	665 - 675	460
Total	1,895	1,895	1,895	1,780 - 1,980

N.b. Figures many not sum due to rounding

5.2.1 Harlow and the Enterprise Zone

Harlow Council has set out potential options for significant economic and employment growth in and around the town of Harlow during the local plan period. The highest profile economic plans for Harlow are the allocation of three sites within an Enterprise Zone, which are intended to create up to 5,000 higher quality jobs. It is proposed that London Road South will provide high quality offices and a data centre; London Road North will provide a science park around an Anglia Ruskin University innovation centre; and Templefields will provide a range of high quality employment premises. The Enterprise Zone proposal originated from the West Essex Alliance and is intended as an economic driver for the wider functional area including Epping Forest District. The Enterprise Zone is the only significant economic asset or anchor in West Essex recognised in the latest work on Essex's future economic growth[14]. Epping Forest District Council has a seat on the board of the Enterprise Zone. Current proposals for the London Road South and North Enterprise Zone sites include a major refurbishment to create high quality offices, a data centre, and a science park developed around a medical technologies innovation centre. These developments are likely to create thousands of high quality jobs, which will benefit both current and future residents of Epping Forest District. Epping Forest District has a much greater range of housing types than Harlow, and contains more large family homes which are likely to appeal to employees in these new high quality jobs.

Concerns have been expressed that some businesses currently located in Epping Forest District may relocate to Harlow once the Enterprise Zone sites are available. This is undesirable, but if it does happen then Epping Forest District Council needs to be aware when and why it is happening, and consider how to address the factors that are causing businesses to move out of Epping Forest District.

Harlow is focused on promoting growth in high value sectors including medical technologies/life sciences, advanced manufacturing and ICT. Growing these sectors will generate employment

[13] If one or more Districts plans for growth at the top of their range, others will plan for growth closer to the bottom of their range, so that the total remains at 1,895 jpa across the four Districts

[14] Regeneris Consulting (2015) Developing the Greater Essex Growth Story (for Essex County Council and Partners)

opportunities for Epping Forest District residents, even if they create only limited employment in the District itself.

Part of the enabling infrastructure to maximise the economic benefit of the Enterprise Zone and other developments in Harlow is the development of a new Junction – 7a – on the M11. Although close to Harlow the junction will be located in Epping Forest District. The new junction will enable the development of a significant area of mixed uses (i.e. residential and employment), which will be straddle the boundary between Harlow and Epping Forest District. If the employment aspects of this development are located close to the proposed Junction 7a then they are likely to be located within Epping Forest District.

Enabling growth in Harlow and ensuring that it benefits the residents of Epping Forest District will mean the need for close collaborative working between Epping Forest District Council and Harlow Council.

5.2.2 Broxbourne Park Plaza

There are plans for high quality office development at Park Plaza in Broxbourne, near to Waltham Abbey. Two sites could accommodate up to 200,000 sq m of new office development. It is intended that this development will help to diversify the local economy and reduce its reliance on industrial, warehousing and distribution activities. It is hoped that this will attract high-skilled employment, and provide opportunities for local residents, thus reducing levels of commuting into London. This development could create jobs that will be occupied by residents of Epping Forest District.

5.2.3 Connectivity to London

London provides employment opportunities for many of Epping Forest District's residents and will continue to do so in the future. There is some potential to increase this, but transport infrastructure could become a constraint to further commuting into London. Infrastructure capacity would need to be increased through both the Underground and over-ground rail networks. However, the opening of Crossrail planned for 2018 should help to alleviate congestion on the Central Line.

5.2.4 Stansted

There are significant growth plans for Stansted Airport, but much of the growth will be on the airport site an in nearby locations, rather than promoting significant growth in Epping Forest District[15]. This is reflected in the growth scenarios for the strategic housing market area that are considered earlier in this chapter.

[15] Oxford Economics (2013) Economic Impact of Stansted Scenarios

6 Sites and Premises

In this chapter we consider the state of the commercial and industrial property market in and around Epping Forest District; and then look at the current supply of employment sites and premises in the District and the potential future supply of sites and premises.

6.1 The local property market

The commercial and industrial property market in Epping Forest District, and the broader regional property market, is healthy with demand rising. The availability of stock is falling as vacant properties are becoming occupied, and there is little new-build property coming to the market. This can be seen in the figures below.

Epping Forest District is not a high priority location for inward investors, and much of the demand is from local businesses. Owner-occupiers are particularly interested in local development opportunities. There are a number of strong industrial and office locations and major development areas around Epping Forest District, and it will not compete as a major strategic employment growth location.

The figures below show regional property agent Glenny's latest 2014 overview of the local markets for industrial and office properties in Essex and North London & Hertfordshire. It is clear from all of these figures that demand for industrial and office premises is rising, whilst availability is falling.

The biggest constraint to take-up in the wider area is the lack of available stock. This is common to most of London and the South East. Little speculative development is taking place, and any such development is usually taken up quickly. The increasing take-up is reducing the amount of available stock. In much of the wider region, including Epping Forest District, the limited amount of available land is restricting the amount of development that can take place. Glenny believes that this excess of demand over supply will continue into the foreseeable future.

Most of the interest in Epping Forest District is from the service sector, with only a small level of interest from, mostly niche, manufacturers. There is little demand for warehousing and distribution in the Epping Forest District area, and there are few sites that are sufficiently large and accessible enough to be attractive for these uses.

The main industrial areas in the District are Loughton and Waltham Abbey. At Oakwood Hill, Epping Forest District Council holds many freeholds. The Council is not considering the development potential of this area, and is content to collect ground rent on the freeholds that it owns. The stock here is ageing and much dates back to the 1950s and 1960s. There is potential for longer-term redevelopment here.

Supply and demand for industrial and commercial sites and premises in Epping Forest District are affected by the strength and attractiveness of the locations around it and their future development prospects. Compared to many surrounding areas, Epping Forest District is an attractive residential location with good links to stronger employment areas around it. Strong employment locations in Broxbourne, Brentwood, Romford, Walthamstow, Stratford, Enfield, Chelmsford and Harlow are discussed in Appendix 4 to this report.

Figure 6.1: Industrial Market in Essex

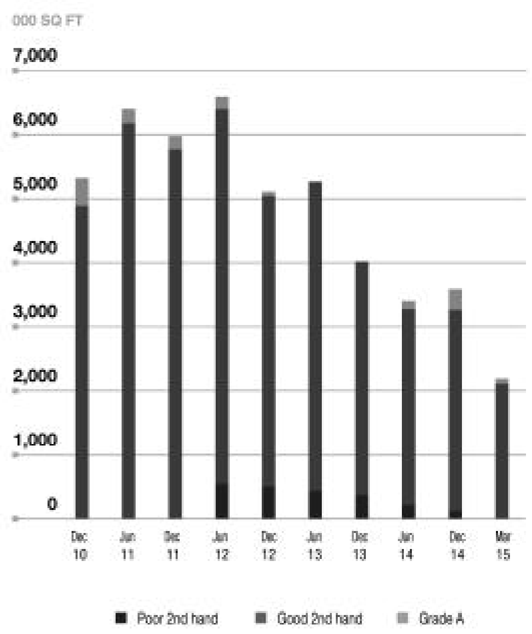
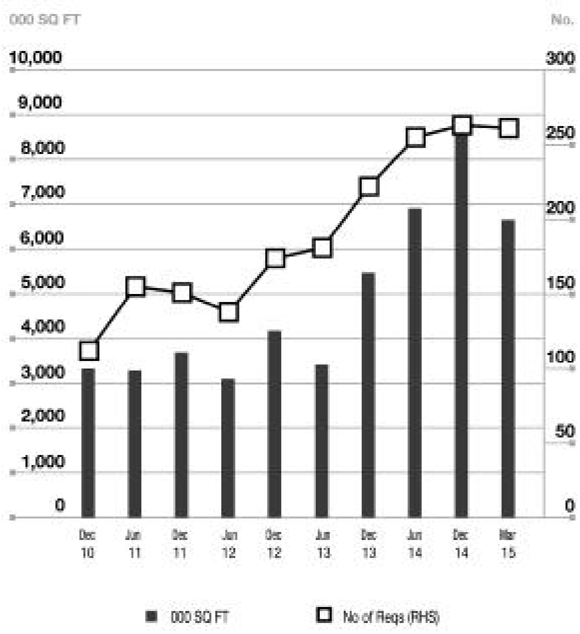
Availability	Demand
	

Figure 6.2: Office Market in Essex

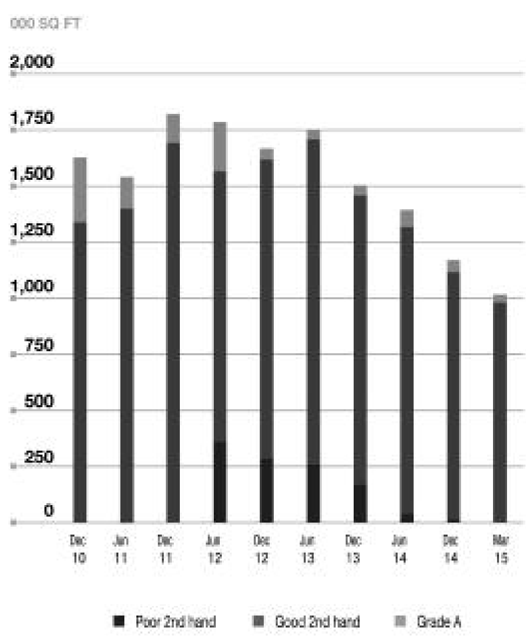
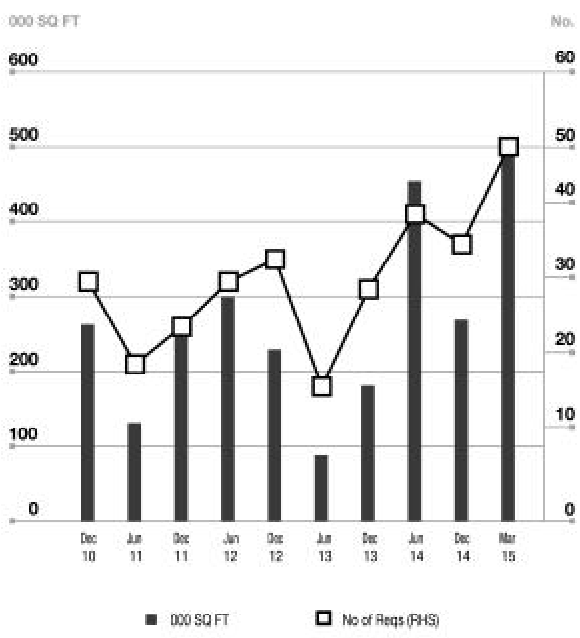
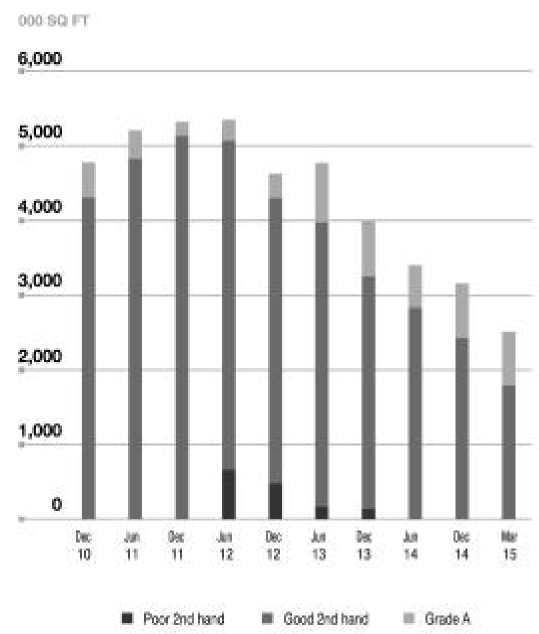
Availability	Demand
	

Figure 6.3: Industrial Market in North London and Hertfordshire	
Availability	Demand



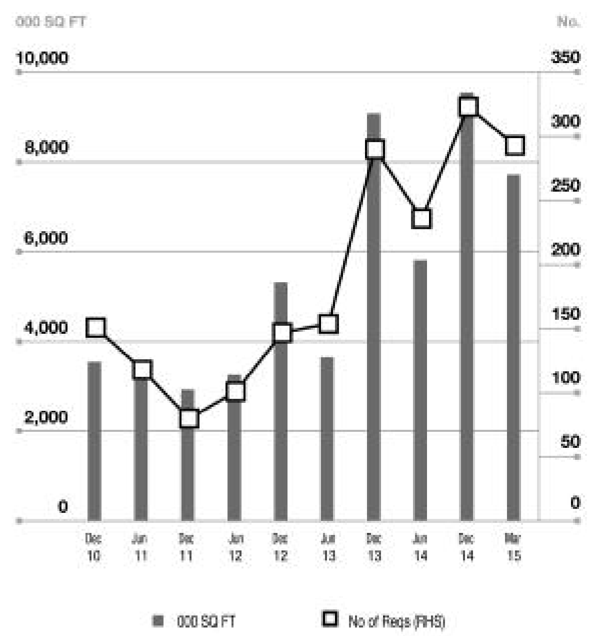
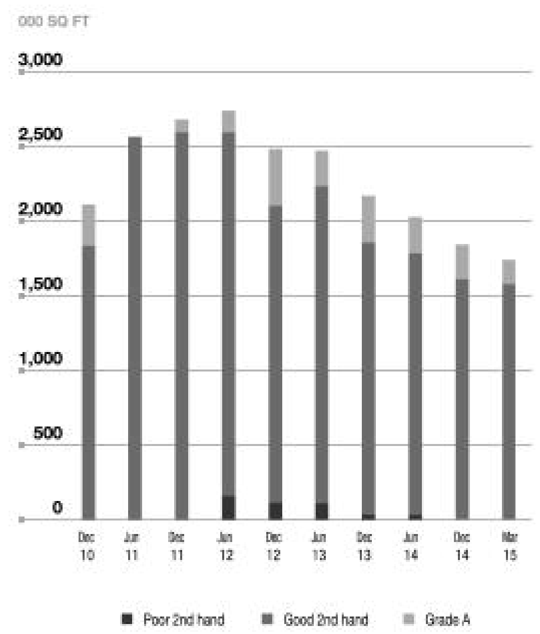
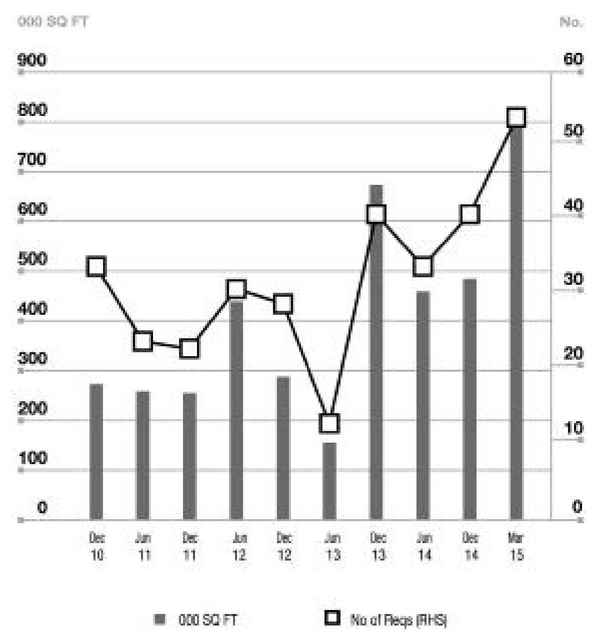


Figure 6.2: Office Market in North London and Hertfordshire	
Availability	Demand





Source of all graphs: Glenny Databook, Q1 2015

6.2 The supply of sites and premises

This supply of sites and premises in Epping Forest District is made up of:

- The current scale of occupied employment land and premises in the District
- The scale of additional supply – both actual and potential

The additional supply can be considered within the following categories:

- Currently vacant land and premises i.e. ready to be occupied
- Currently planned development i.e. developments with planning approvals in place
- Further development opportunities which can be delivered within the current Local Plan (2006) policies
- Potential development opportunities which are outside current the current Local Plan (2006) policies

To get an overview of the supply of sites in Epping Forest District we have reviewed a number of sources of data, including:

- The latest Employment Land Review (ELR)[16] for Epping Forest District (and Brentwood Borough), 2010
- Epping Forest District Council Town Centres Study[17], 2010
- Epping Forest District Strategic Land Availability Assessment (SLAA)[18], 2012, 2013 and 2014

Planning officers from Epping Forest District Council have reviewed and updated these sources of potential supply. These have then been tested by regional property experts Glenny, who have supplemented this analysis with current market knowledge.

6.2.1 Stock of employment sites and premises

The latest Employment Land Review for Epping Forest District was concerned only with B Class employment land. In 2010 some 42 sites were identified, of which 21 were in the urban areas of the District and 21 in the rural part of the District. The review states that there were 536 premises at the 42 sites (where the premises of a business can include several buildings at the same site occupied by the same business). According to the review, the average size of premises in Epping Forest District is 344 sq m, which is considered as being small. According to the review, 29% of sites were of 'good' quality, 67% were 'average' and 3% were 'poor' based on the quality of their premises (Table 5.11, p.54).

6.2.2 Further employment land supply within current policy

Published sources showed a limited supply of readily available sites and premises in Epping Forest District within current policy (i.e. the 2006 Local Plan):

- The Employment Land Review (in 2010) identified 12,000 sq m of vacant employment space across 22 premises. It did not identify the Planning Use Class of these premises. This suggests a vacancy rate of up to 6% of stock, which would not be considered high. The Employment Land Review noted that vacancy levels were 'very low' in Epping Forest District (para 7.18, p.83).

[16] Atkins (2010) Epping Forest District and Brentwood Borough Employment Land Review
[17] Roger Tym & Partners (2010) Epping Forest District Council Town Centres Study: Final Report
[18] Nathaniel Lichfield & Partners (2012) Epping Forest District Strategic Land Availability Assessment

- The Employment Land Review only identified two current employment sites with planning permission. Together these sites comprised 1.4 hectares of land.

Glenny's assessment of the local property market does not suggest that this picture has changed significantly. Their market overview of the larger regional economy around and including Epping Forest District (discussed above) suggests that demand is increasing and supply is decreasing.

The Employment Land Review (2010) and the Strategic Land Availability Assessment (2012, 2013 and 2014), identified a number of sites with development potential within current policy, albeit that they are not immediately available. This data has been supplemented with discussions with Epping Forest District Council officers, and adjusted accordingly. There may be some duplication within these figures. These are summarised in the figure below.

Figure 6.5: Employment land with development potential within current policy

	Amount	Source
Four sites have vacant land	5.0 ha	ELR (2010)
Three sites are immediately deliverable	5.2 ha/7,740 sq m[19]	SLAA (2014) and EFDC
Thirteen sites have opportunities for further development	10.3 ha	ELR (2010)
Five sites have uncertainties about deliverability, but may be deliverable. According to the SLAA, uncertainties relate to development viability, fragmented land ownership and poor accessibility	65 ha/39,200 sq m[19]	SLAA (2014)

Eight sites were identified for town centre use as their primary use. All of these were suitable within current policy. Two sites were identified for town centre use as their secondary use. Both were suitable within current policy.

6.2.3 Employment land supply outside current policy

The SLAA is the main source of data on potential employment sites outside current policy (i.e. the 2006 Local Plan). This identifies potential sites whose primary use is employment as well as those whose secondary use could be employment. The figure below considers only those sites for which employment is considered as the primary use. Some 47 further sites have employment as a secondary use (SLAA 2014).

It should be noted that most of these sites are currently in the Green Belt.

[19] Site areas and floorspace estimates are taken from the SLAA. Floorspace estimates should be considered as a minimum, and in some cases sites are proposed for a mix of uses, of which employment is only one

Figure 6.6: Potential employment sites outside of current policy[19]

	Amount	Source
Twelve sites are deliverable	64 ha/88,000 sq m	SLAA (2014)
- Eight of these are general employment sites	*51 ha/102,000 sq m*	*SLAA (2014)*
- Four of these are suitable for glasshouses	*18 ha*	*SLAA (2014)*
Seven sites are developable, but deliverability is not certain	194 ha/199,000 sq m	SLAA (2014)
Nine sites may not be deliverable, although this may require further investigation	56 ha/120,000 sq m	SLAA (2014)

It is clear from these data that, subject to review of the Green Belt, there is potential for the allocation of some further employment land in Epping Forest District.

Major potential development locations are at:

- North Weald Airfield, where a masterplanning exercise has been undertaken for Epping Forest District Council. Although not definitive, the study suggests that over 40 hectares of mixed-use development could take place on the site, including over 40,000 sq m of commercial floorspace
- Debden Broadway, where a development options study suggests that just under 8,000 sq m of commercial space (mostly retail and leisure) could be delivered
- Langston Road where an outline planning permission was granted in 2012 for a 16,000 sq m retail park which is proposed to generate 200 jobs.
- Epping, where a development brief has been prepared for the St John's Road site, which could include some employment uses

6.3 Increasing the supply of sites and premises

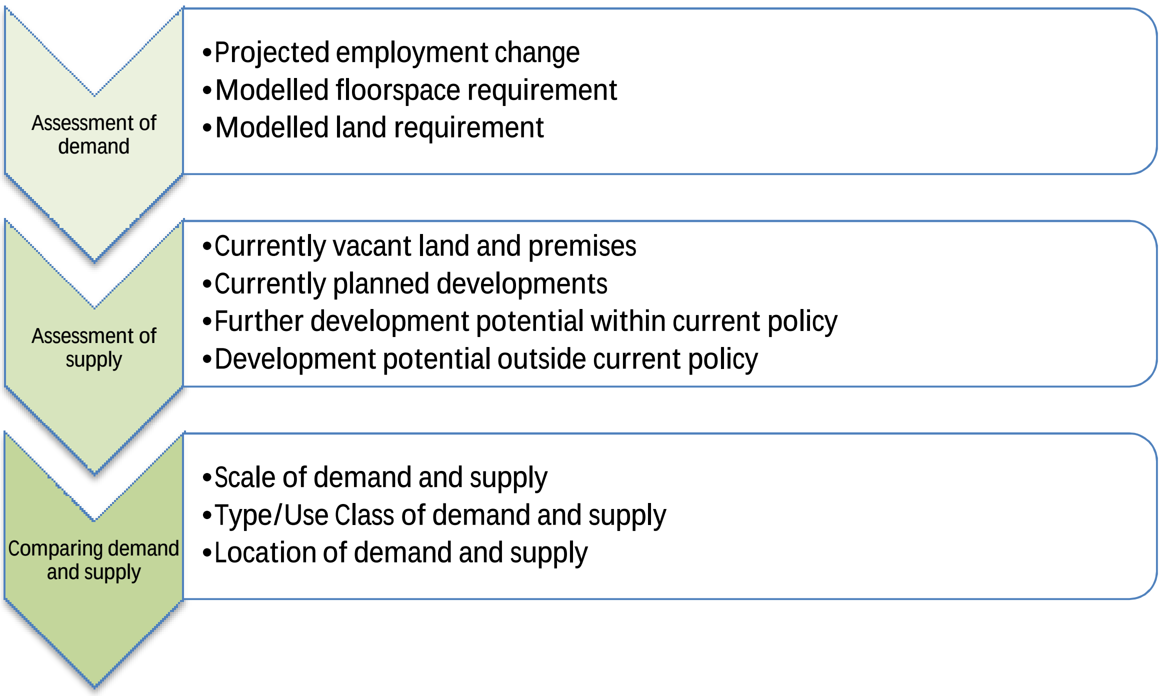
The latest work on economic growth in Essex[14] has identified the need to increase the supply of sites in the county. Interventions suggested include:

- SEFUND – a recyclable fund to accelerate investment in infrastructure and property development
- Investment in superfast broadband across the county
- Improved road and rail infrastructure

7 Comparing Demand and Supply

In this chapter we compare the information on the likely future demand for employment land in Epping Forest District over the Local Plan period with the currently known and potential supply. The approach to comparing these is summarised in the figure below.

Figure 7.1: Comparing supply and demand



Demand and supply have been compared by Use Class, and this is considered below.

7.1 Town centres

7.1.1 Retail

Future retail floorspace requirements are traditionally assessed based on future expenditure patterns compared with current and planned capacity. The approach considered in this assessment is based on employment projections within the retail sector, and therefore differs to the more traditional approach, which has been considered in other evidence prepared on behalf of Epping Forest District Council[17]. The EEFM/HJA analysis indicates a slight decline of 30-130 jobs within the A1 Use Class over the plan period.

The EEFM suggests that historically retail employment reached its peak in 2006 in the district and then declined to 2012, with the later part of this period reflecting the impact of the economic downturn. Projected change in employment is then fairly flat. This would suggest the decline has largely happened, but certainly no major retail growth is projected in the area. That is not to say that there is not a need for a changing mix of retail provision, and there will undoubtedly be churn in the retail sector. However, in order to assess the implications of this there will be a need for detailed retail sector and market research for the area. Given the modest changes in employment, the data would not suggest a major change in retail floorspace. However, guidance on floorspace per worker shows a substantial variation between high street and food superstore retail and other superstores or retail warehouses. The mix of retail requirements will therefore be a bigger determinant of future requirement and potential floorspace changes.

Given the differing nature of retail requirements, and the associated parking requirements for in-town and out of town locations, there will also be a broad range of development densities relating to such uses, with higher density development in district/local centres and much lower density development for food superstores and out of town retail warehouses. This creates challenges in converting outline floorspace estimates into land requirements. Any conversion would exaggerate the range of outcomes with both higher density of development and occupation in town centres and lower densities of both indicators out of town.

More detailed retail analysis will provide greater clarity on the nature of future retail requirements in the Epping Forest District area. The 2010 Epping Forest District Town Centres Study considers future retail requirements using the more traditional method of expenditure forecasts. This suggested a retail requirement for 33,000 – 50,000 sq m over the period to 2031. These requirements are well in excess of the scale of retail growth projected using the employment forecast approach. However, the Town Centres study is now dated, particularly in terms of demographic evidence to inform future population growth scenarios. In addition, the changing face of retail, with more emphasis on internet shopping, and the re-emergence of neighbourhood convenience stores and the move away from large format stores will impact current demand. As the geographic area used as the focus for the Town Centres study does not map exactly to the district boundary it is not possible to make simple adjustments even for indicative purposes. However, one might reasonably conclude that the population growth scenarios which formed the basis for the retail study are higher than current evidence suggests is likely. On that basis the retail requirements may well be lower than indicated by that research.

7.1.2 A2 Financial & Professional Services

HJA analysis of the EEFM scenarios projects a growth of 120 -140 jobs within the A2 Use Class over the Local Plan period. A2 jobs are primarily accommodated within town centres and district/local centres. This generates an estimated requirement of 2,400 - 2,700 sq m of A2 floorspace over the plan period.

Conversion of floorspace to site area is reliant on assumed plot ratio/development density. Within town centres plot ratios will vary depending on provision of car parking and the number of storeys achieved. Plot ratios upwards of 0.7:1 or 70% might reasonably be considered a minimum and greater than 2:1 or 200% could be achieved. This would suggest a land requirement of up to 0.4 hectares.

7.1.3 A3 – A5 Food & Drink Uses

The A3-A5 Use Classes cover a range of settings including restaurants, cafes, pubs, bars and takeaways. HJA analysis of the EEFM scenarios projects an additional 410 - 460 jobs within the A3-A5 Use Classes over the Local Plan period.

On this basis future net additional requirements are estimated at 8,900 - 9,900 sq m over the plan period. The nature of likely requirements is likely to reflect the demographics of the area and changing trends in leisure behaviour. Given the range of settings it is very difficult to translate the indicative floorspace requirement into a land use figure. Some requirements will be town centre and district centre based with no associated car parking. Other requirements are likely to be at out of town locations with at least an element of car parking provision.

7.1.4 Supply of town centre sites

Gross supply across Epping, Loughton and Waltham Abbey town centres is limited. There is scope for the redevelopment/regeneration of existing sites within the town centres. In the SLAA, eight sites were identified for town centre use as their primary use. All of these were suitable within current policy. Two sites were identified for town centre use as their secondary use. Both were suitable within current policy. Of the primary town centre sites:

- Three are in Epping. All are considered as being within current policy and deliverable. They comprise 4 hectares of land, and could accommodate nearly 8,000 sq m of commercial development
- Two are in Waltham Abbey. Both are within current policy, but only one is considered as deliverable. This site is just under one hectare, and could accommodate 1,700 sq m of commercial development
- Three are in Loughton. Two of these are within current policy and are developable when their current occupiers are relocated. They could accommodate over 5,000 sq m of commercial development

Two sites were identified for retail use as their secondary use, which could accommodate 5,000 sq m of development. One was within current policy, and one was located in the Green Belt.

There are plans and proposals for development in a number of town centres within Epping Forest District (which may include some duplication of those sites listed above), including:

- Debden Broadway/Loughton, which could deliver around 8,000 sq m of commercial space (mostly retail and leisure)
- Langston Road/Loughton where permission was granted for a 16,000 sq m retail park which is proposed to generate 200 jobs
- Waltham Abbey, where two town centre studies were completed in early 2015. The Colliers International study[20] identified ten potential development opportunities in the town centre
- Plans for the St Johns Road site in Epping, which includes some potential for office development

Loughton, Waltham Abbey and Epping are the town centres with the most significant development potential in the District.

7.2 B1a: Offices

HJA analysis of the EEFM scenarios projects an additional 2,700 - 3,000 jobs within the B1a Use Class over the Local Plan period. This would suggest a net additional requirement of around 32,600 - 35,400 sq m in Epping Forest District over the Local Plan period. The land requirement for this quantity of office development will depend on the type of developments coming forward. Where offices are developed within town centres, either as dedicated office developments or above retail

[20] Colliers International (Jan 2015) Waltham Abbey Town Centre Report

uses plot ratios of 1:1 (100%) or above are potentially achievable. In edge of centre and out of town/business park developments a plot ratio of around 40% is more typical, reflecting the requirement for car parking and landscaping. In reality, a mix is likely to be achieved. At the two extremes the associated land requirement ranges from 10.2 – 13.3 hectares.

Although there is a sufficient amount of land identified within the SLAA as being within current policy to accommodate this potential level of growth, the SLAA indicates that there are deliverability concerns with five of the eight sites. Of these eight sites, five are linked to current industrial sites so they may not be suitable for office development. Some of the B1a demand could be accommodated in town centres, and the availability of town centre sites is discussed above.

Permitted Development Rights (discussed in more detail in Chapter 4) may lead to more pressure on the current supply of office premises, given the higher value of residential use. The future of PDR is as yet uncertain, but if the regime continues then this could lead to a higher requirement for offices as existing stock is lost.

7.3 B1b, B1c, B2 and B8: Industrial and warehousing

7.3.1 B1b and B1c

HJA analysis of the EEFM scenarios projects an additional 140 - 150 jobs within the B1b Use Class and a very small (less than 50) increase in the level of employment within the B1c Use Class over the Local Plan period. This leads to a requirement of 4,600 - 5,000 sq m of B1b R&D floorspace over the plan period. The small projected increase in employment for B1c light industry is anticipated to require around 1,200 - 1,300 sq m of net additional floorspace. It is anticipated that B1b/c developments would be primarily based in business park type environments with development densities of around 40%. This would lead to a land requirement of 1.5 hectares combined.

7.3.2 B2

The EEFM scenarios forecast a decline of around 390 - 420 jobs within the B2 Use Class as a result of the continued decline in manufacturing employment. None of the manufacturing subsectors within the EEFM analysis are forecast to grow in employment terms over the Local Plan period. This might lead to a reduction in floorspace of 14,600 – 15,900 sq m. At a development density of 40% this equates to some 3.7 – 4.0 hectares of land. Further discussion of the potential for land release is set out below.

The decline in employment in the B2 Use Class is not projected to drive any expansion in the requirement for space[21]. The issue is whether there is a release of space to the market. There has been employment decline in the industrial sector for some time, yet there continues to be demand for new premises (see take up data presented in Appendix 3). When reflecting on the employment reduction in the industrial Use Class the following issues should be considered:

- Whilst a business may shed some of its staff, it may not close in its entirety and it may not release any of its property holdings to the market. Due to the lumpy nature of the commercial property market, through both lease structures and freehold ownership there is not necessarily a direct relationship

[21] That does not mean there will be an absence of demand for new B2 premises as a result of churn in the market and changing occupier requirements. This is considered in following sections of the chapter.

between employees and floorspace. The trends that hold true across the economy at large do not always apply evenly at the individual business level. There are indications of increasing space per worker measures in the industrial sector over recent years, which likely reflect the trend towards reduced employment and increasing capital intensity. As a result, one should not necessarily expect a direct release of floorspace in this instance.

- Where a business does close, there may well be a release of either property or indeed an entire site. In some instances these will be available for re-occupation and redevelopment through normal market mechanisms. In other cases, this may not happen within the plan period. There may be constraints upon the re-use of premises or land (such as ownership or contamination), or the site/property may be located unfavourably or be inappropriate for modern business occupiers. As a result, its continued use within the stock of employment land/property could be uncertain.

As a result of both of these issues it is not easy to assess the potential release of land and property as a result of the projected scaling back of the labour force. However, it does suggest there may be some windfall releases which could contribute to future supply. Potentially, windfalls of around 6 - 8 hectares could be seen, based on the entirety of projected employment declines. If it is assumed that 50% of space was released and made available for re-use within the Local Plan period a figure of around 2 hectares might be contributed to future supply. However, this is an outline estimate and should not be relied upon as anything more than indicative for detailed policy making.

7.3.3 B8

The HJA analysis of the EEFM scenarios suggests a growth of around 120 - 180 jobs within the B8 Use Class. This equates to a net additional floorspace requirement of 9,400 – 13,300 sq m. In land terms, at a development density of 40% some 2.3 – 3.3 hectares of land could be required.

7.3.4 Overall

The combined level of demand in Use Classes B1b, B1c, B2 and B8, taking account of net additional requirements, replacement and choice is up to 18.3 hectares. This could be met within current policy, although according to the analysis undertaken in the SLAA, much of the potential supply may not be deliverable. There is significant potential development land outside current policy designations.

As discussed above, the latest 2014 SLAA identifies three employment sites that are suitable within current policy and deliverable (totaling 5.2 hectares), and a further five sites that are suitable within policy but with deliverability and viability concerns (with potentially a further 65 hectares). These eight sites are located in North Weald Airfield, Loughton, Epping and Waltham Abbey. If a sufficient amount of land cannot be found within these sites, there are other potential sites identified in the 2014 SLAA that are outside current policy, primarily because they are in the Green Belt.

7.4 C: Hotels and residential

The C Use Classes cover a broad range of activities including hotels, guest houses, care homes, boarding schools and colleges, hospitals, prisons and detention centres, and barracks. Some data is available within best practice guidance for hotels, showing varying levels of employment depending on the quality of the hotel. Typically hotel demand is assessed via other market driven assessments.

The most recent Hotels Study for Essex was completed in 2009[22] and so is now dated. Nevertheless, this did not suggest strong market drivers for significant hotel development within Epping Forest District.

The HJA analysis of the EEFM scenarios suggest less than 100 net additional jobs in the C1 (hotels) Use Class. Based on best practice guidance this might support growth of between 50 – 190 hotel rooms in Epping Forest District depending on the quality of hotel provision.

Growth of up to 600 jobs is projected within the C2 Use Class covering residential institutions. This will incorporate the care home sector. The requirement for care home provision is likely to be driven in part by demographic change as well as commercial market pressures. Demand for such facilities should not be assessed using employment forecasts alone.

7.5 D: Non residential, assembly and leisure

The EEFM scenarios suggest a range an additional 740 – 880 jobs within the D1 Use Class covering non-residential institutions. This captures the projected growth in health and education employment. Requirements for floorspace for such uses are not particularly driven by employment change but rather by service delivery plans and demographic changes. Provision will need to be planned alongside future housing development and through discussion with key education and health stakeholders.

A growth in employment of around 440 - 480 jobs is projected within the D2 Use Class. This covers a range of leisure uses including cinemas, concert halls, bingo halls and casinos, dance halls, swimming pools, skating rinks, gyms and other sports grounds. Current employment in Epping Forest District in this Use Class is concentrated within sports and fitness facilities and clubs. On this basis the projected growth in employment would require around 30,000 - 33,000 sq m of net additional floorspace. At a development density of 40% this would equate to 7.5 – 8.2 hectares of land. However, this would be dependent on the nature of developments coming forward and should be treated as indicative.

7.6 Sui Generis

Sui Generis covers a range of activities that do not fall within the specified Use Classes order. These include theatres, amusement arcades, funfairs, laundrettes, sale and repair of motor vehicles and many other activities.

HJA analysis of the EEFM projections suggest some 550 - 600 additional jobs across activities that fall within the Sui Generis category. The range of activities is very broad. Current employment data suggests the largest employment activities are motor trades including renting and leasing of vehicles and machinery as well as sale and repair (50%) and waste and utilities (20%). The major sector growth projected in the EEFM which is driving Sui Generis growth is Business Services which includes vehicle hire and leasing activities and Arts and Entertainment. There are no robust assumptions to generate floorspace estimates for this category given the variance in activities.

[22] Essex Hotel Futures, Hotel Solutions (2009)

7.7 Employment not requiring sites and premises

It is notable that some 39% of projected employment growth does not require premises within the planning use classes because, for example, people work at or from home or in the premises of other businesses. The distribution of the remaining projected employment growth in the planning use classes, shown above, is a starting point for considering the future distribution.

7.8 Spatial distribution of employment growth

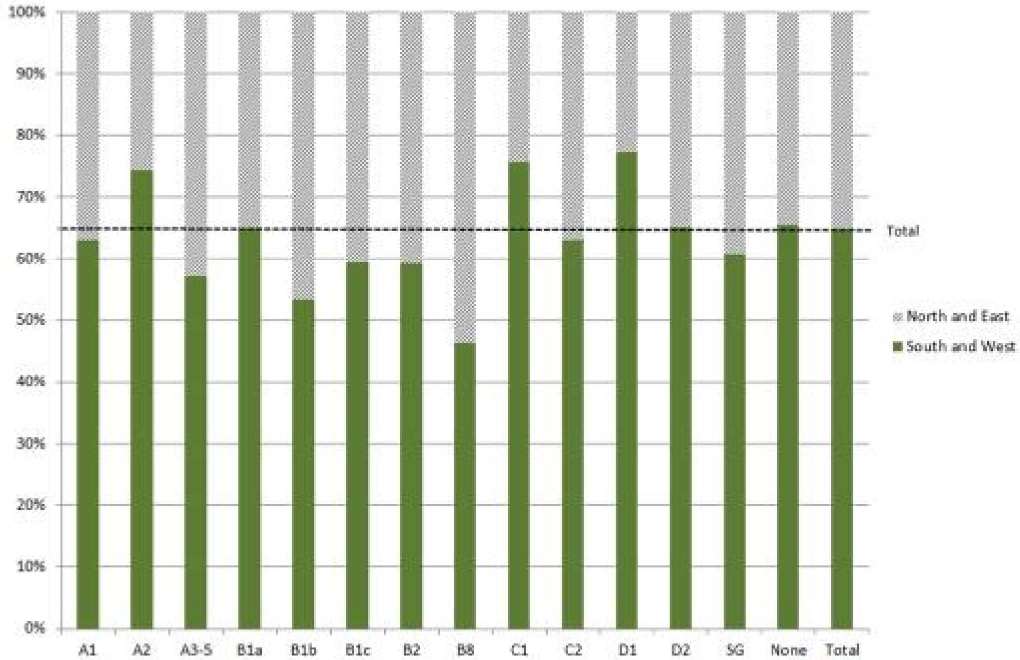
The figures presented in Chapter 4 relate to employment growth in Epping Forest District as a whole. In order to consider how these requirements may be distributed spatially, three primary factors are considered. Firstly, the current distribution of employment is used as a basis for an initial distribution of future requirements. Secondly, this is considered in the light of commercial market intelligence to make any required adjustment for property market drivers. Finally, account is taken of wider planned developments within the district (e.g. housing provision or infrastructure development) and potential development opportunities outside the district that may influence the future pattern of employment demand.

Two sub areas have been considered within the initial spatial allocation. The south and west area captures the more densely populated urban areas which form part of the north London fringe and are largely bounded by the M25. The exception is Waltham Abbey which lies just outside the M25. The north and east sub area includes much of the more rural parts of the district and the settlements which lie within it, including Epping, North Weald Bassett and Chipping Ongar. Figure 7.2 illustrates the two sub-areas.

Figure 7.2: Sub Areas

Data from the 2009-2013 Business Register and Employment Survey is presented in the Figure below. This shows the distribution of employment by Use Class at the start of the Local Plan period. When considering total employment the split is broadly one third in the north and east sub area with two thirds in the south west sub-area. However, there are variations across the Use Classes. Most notably concentrations of A2, C1 and D1 activities in the south-west sub-area and a greater than average share of A3-5, B1b/c, B2 and B8 activities in the north and east sub area.

Figure 7.3: Spatial Distribution of Employment by Sub Area (Source: BRES 2009-13, ONS)



7.8.1 Town centre employment

In terms of town centre employment, a number of the use classes will be present both in town centres and outside of town centres, such as retail, restaurants and offices. The SLAA identifies potential town centre sites in Epping in the north-east part of the District (just under 8,000 sq m of potential floorspace), and Loughton and Waltham Abbey in the south-west part of the District (With around 11,500 sq m of space). Plans and proposals have been developed for sites in Epping, Loughton and Waltham Abbey (discussed in Appendix 4), so these are likely to be the main locations of future employment growth, alongside an incremental level of growth throughout the District's town centres. The location of new town centre employment will also be shaped in part by the plans for new residential development and population, which are not yet published.

7.8.2 Office and industrial employment

Land requirements for the B Use Classes have initially been apportioned in line with the existing shares to provide a starting point in distributing future provision. This is summarised in Table 7.4 below. This takes no account of the supply of sites, potential infrastructure investments or other factors which may adjust the future distribution of employment from the current situation.

Table 7.4: Spatial Distribution 'Starting Point'

	South-west	North-east	Total
Office (B1a)	6.6 – 8.5 ha	3.6 – 4.6 ha	10.2 – 13.1 ha
Industrial (B1b/c, B2 and B8)	9.0 – 9.5ha	8.3 – 8.5 ha	17.3 – 18.3 ha
Total	15.6 – 18.0 ha	11.9 – 13.1 ha	27.5 – 31.4 ha

The eight sites identified in the SLAA for employment use within current planning policy are located in North Weald Airfield and Epping in the north-east of the District, and Loughton and Waltham Abbey in the south-west. However, there are questions about the deliverability of five of these sites. The majority of the land available on sites within current policy (around 68 of the potential 70 hectares) is located in the south-west of the District. Significant development proposals are being drawn up for North Weald Airfield and there are other sites being promoted through the Local Plan process for this kind of development. If these come to fruition, they could potentially host some of the land requirements set out above.

Another source of future employment premises is the change of use of existing buildings, in particular farm buildings. If further farm conversions take place, they are more likely to be in the north-east than south-west of the District.

7.8.3 Other Use Classes

Other use classes are likely to follow the current distribution of employment, although this may be skewed slightly by the future distribution of new home and residents.

7.9 Nature of demand for premises

There is little demand for employment property in Epping Forest District from major inward investors, who are more likely to be attracted to Harlow (and its Enterprise Zone status) or outer London. Property agents Glenny suggest that most of the demand for property in the District is from local businesses. They suggest that smaller self-contained buildings would be more attractive to local owner-occupiers than large multi-occupier buildings, as there is strong demand for owner-occupied property. This is evidenced by the recent acquisition of the Clinton Cards site by the adjacent Mercedes franchise, paying more than an industrial developer would be prepared to pay. Generally smaller product in a mix of sizes up to 3,000 sq m could work, assuming B1c, B2, or B8 Use Class allocation. On Use Class B1a accommodation, local property agent Glenny would suggest no more than 500 sq m in a single building.

Starter units will accommodate new start businesses and those progressing from working from home, and grow-on units will allow the progression of these businesses.

8 Conclusions

8.1 Conclusions of the study

Epping Forest District comprises urban and rural areas, with a series of small settlements throughout the rural area. It does not have a large central place with higher-order services, and is not a self-contained economy. It forms part of a larger functional economic market area, and is well linked to London as well as other nearby places. Out-commuting, especially to London, provides employment for around half of the District's working residents. The District's service sector meets local needs, with limited amounts of widely traded services; and the District does not have a large manufacturing sector.

A quantitative assessment of future growth projections suggests an increase of up to 10,000 jobs based in the District over the Local Plan period (2011-33). This is an increase of 18% on current employment. Much of Epping Forest District residents' future employment will not require sites and premises, and a significant proportion will take place outside of the District, in keeping with the current situation.

There will be a need for some additional employment land in the District. In summary this will require some land for employment in the A Use Classes, up to 32 hectares for employment in the B Use Classes, and around 9 hectares for employment in the D Use Classes. Other employment land will be required, but exact site sizes cannot be determined at this time.

The main component of this growth will be similar activity to that already present in the District. The nature of the future employment will look much like the current pattern of employment, with some minor structural changes. The main areas of structural change are:

- Potential for greater employment of local people and net additional growth in the glasshouse industry
- Growth of high quality, high technology employment in the Harlow Enterprise Zone – which has been designed to benefit residents of Epping Forest District as well as Harlow and Uttlesford

Other drivers of employment growth for Epping Forest District residents include:

- Significant potential for mixed-use development at North Weald Airfield
- Some opportunities for development within the urban areas, including at Loughton/Debden
- Continued growth of the London economy, which will provide employment opportunities for the District's residents
- Potential for increased quality and visitor spend in the tourism sector, which could create new employment
- Some potential for growth in Chinese inward investment, building on the current small presence in the District
- Potential for growth in the care home sector, which is looking for growth opportunities throughout the London periphery

However, there are a number of constraints which will limit this employment growth if they are not tackled. These constraints include:

- The limited amount of readily available sites and premises to accommodate growth, which will not accommodate the full growth requirements set out above
- Restrictions on the potential to allocate further sites (although it may be possible to meet projected employment growth within current policy constraints)
- The lack of a very large town or central place, although there are a number of such places close to, but outside, the District, which accommodate higher level services
- The (relatively) low level of skills of local residents, which could constrain their ability to access future employment opportunities
- A declining working-age population (albeit that the increased state pension age and later retirement may lead to some offset of this)
- Transport infrastructure constraints
- Housing affordability constraints

8.2 Implications for the emerging Local Plan and future economic development strategy

8.2.1 Sites and Premises

Achieving the projected level of employment growth will require the protection of existing employment sites and renewal of older stocks, particularly where there are Council owned assets. This is necessary given constraints on future land release and particularly given paucity of sites in southern part of the district

There will be a need for a criteria based approach to support rural development. An allocation approach is not appropriate but rather a supportive environment to develop the economy in the northern and eastern parts of the district.

Avoiding overprovision in the northern parts of the district in terms of strategic provision will be important, or at least phasing development to avoid lack of critical mass elsewhere. The Enterprise Zone at Harlow (designed to drive growth throughout West Essex) is the sub-regional priority. It may be too much to have the Enterprise Zone, any new development at the proposed Junction 7a and North Weald Airfield all competing for similar investment. It is not clear that there is demand for such scale in this area at present. There are significant growth plans for Stansted Airport, but much of the growth will be on the airport site an in nearby locations, rather than promoting significant growth in Epping Forest District.

8.2.2 Economic Development Activity

Over the Local Plan period (2011 to 2033), jobs for Epping Forest District residents will need to be created both within and outside the District. Although the nature of jobs will be similar to the existing jobs, actions needed to deliver growth within the District will include:

- Delivery of new sites and premises, particularly the large sites at North Weald Airfield and Loughton/Debden
- The identification and allocation of a sufficient amount and quality of employment sites, in the appropriate parts of the District. This will need to be consistent with the review of the Green Belt, and with other environmental designations

- Promotion and support for town centre development and regeneration, to encourage the District's town centres to complement rather than compete with the large sub-regional and regional comparison retail destinations
- Consideration of how Epping Forest District Council land and property assets can be used to help with regeneration and creation of future employment opportunities
- Ensuring the provision of suitable training and skills development for local residents, to provide them with the skills needed to access future employment opportunities both within and outside the District
- Infrastructure improvements to enable commuting out of and into the District
- Actions to increase workforce participation; and encouraging older workers to continue to work
- Working with the glasshouse industry to encourage local people to access jobs in the industry
- Attracting new businesses, encouraging start-ups, and helping growing businesses

These economic development actions are consistent with those set out for Essex in the latest work on employment and economic growth in Essex[14].

Drivers of growth outside the District will include:

- Using Epping Forest District Council's seat on the board of the Harlow Enterprise Zone to ensure that it creates employment opportunities for residents of the wider West Essex area
- Using Epping Forest District Council's engagement in wider strategic approaches such as the Economic Plan for Essex, the LEP's Strategic Economic Plan and the London-Stansted-Cambridge Corridor to ensure that jobs are created for District residents