



## Nathaniel Lichfield and Partners

Planning Design Economics

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### Planning for Employment Land Needs in Growth Areas

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November 2008

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Ebbsfleet International Station

Many nationally designated growth areas are subject to ambitious job targets, particularly in response to the increasing level of new housing supply being sought by Government. An adequate supply of employment land is essential to support delivery of new jobs and economic growth. Recent experience at Core Strategy examinations has emphasised the need to establish a sound basis through Employment Land Reviews for how broad job targets are applied when making decisions about the quantum and type of employment land to provide for growth needs.

#### Challenges

Planning for employment land needs in growth areas poses some unique challenges:

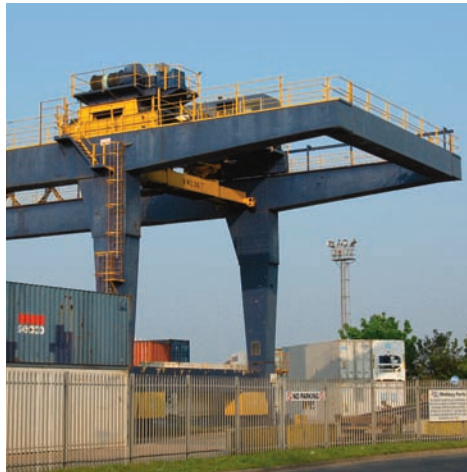
- traditional approaches to estimating future land needs are less relevant where a specific job target usually unrelated to current demand or past trends applies;
- many job targets are based on aspirational regional forecasts which can be less reliable when applied at the local level;
- job targets are often indistinct in terms of economic sectors and how the share of jobs across different sectors is expected to change in future;
- targets may apply across numerous local authorities, which may bear only limited relationship in functional economic or commercial property market terms. It is rarely clear how job growth should be apportioned to reflect growth needs and opportunities within individual areas;
- growth policies often focus on major settlements and established economic centres, but the role of rural and other areas also needs to be considered;
- while most planning policy timescales stretch beyond economic cycles, in less certain economic times it is important to understand the implications for investment decisions that may be critical to delivery of major economic developments.

## Implications

While job targets are an important policy reference point, they should be thoroughly tested when seeking to establish precise local figures or estimating land requirements. Employment Land Reviews (ELRs) should reflect a wide range of planning, economic and property market drivers, and a balance must be struck between these if a robust evidence base is to be established.

A fundamental question is how ambitious growth targets can actually be achieved, and what is the level of 'step change' implied? Strategic 'top-down' approaches set out in regional strategies must be allied to a 'bottom-up' analysis of the dynamics of local economies, their sectoral strengths and, most importantly, where growth potential exists. Few ELRs take full account of the economic contribution and demands of other employment-generating sectors, such as health, education, retail and tourism, some of which also make demands on traditional employment land.

Many ELRs are produced using mechanical approaches based purely on employment forecasts which may provide only a partial picture of future needs. Instead, ELRs must seek to assess what an area's economic future might look like. While the current technical guidance is limited in this respect, ELRs represent one of the few practical opportunities where planning policy and economic development strategies clearly overlap. Such an opportunity should be maximised, particularly in growth areas where new and more diverse forms of economic activity may be sought.



Port of Sheerness, Isle of Sheppey

Taking account of market signals, such as vacancy levels and enquiries for space, is also important if ELRs are to be commercially realistic. In growth areas, taking account of a range of market views can help test different future scenarios and the approach that should be taken when identifying new employment land or encouraging the improvement or upgrading of existing sites. Under-providing for employment land may restrict choice for firms, while over-allocating may simply confuse the market about where investment should be focused. Getting the balance right is particularly important where a limited number of major sites are relied upon, or where new infrastructure provision is required prior to development on some sites. It is also important to be realistic about the job potential of major development sites, and in particular their deliverability and phasing over the life of a Core Strategy.



Eurolink, Sittingbourne. Copyright: awakeimaging.com

Finally, taking a wider view is important. Understanding the types of economic development planned in adjoining areas is crucial in determining where competition for investment or spin-off opportunities for growth could arise. Commissioning joint, sub-regional or City-Region ELRs may be helpful. Ultimately, a joined-up approach to employment land provision and economic strategies across growth areas will go some way to ensuring that ambitious job targets are achieved.

## About NLP

Nathaniel Lichfield and Partners (NLP) advises on all aspects of the economics of development for local authorities and regional agencies, and across an extensive private sector client-base. Our experience includes employment land reviews, sector studies and other economic assessments of local economies.



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