

Chelmsford Local Plan

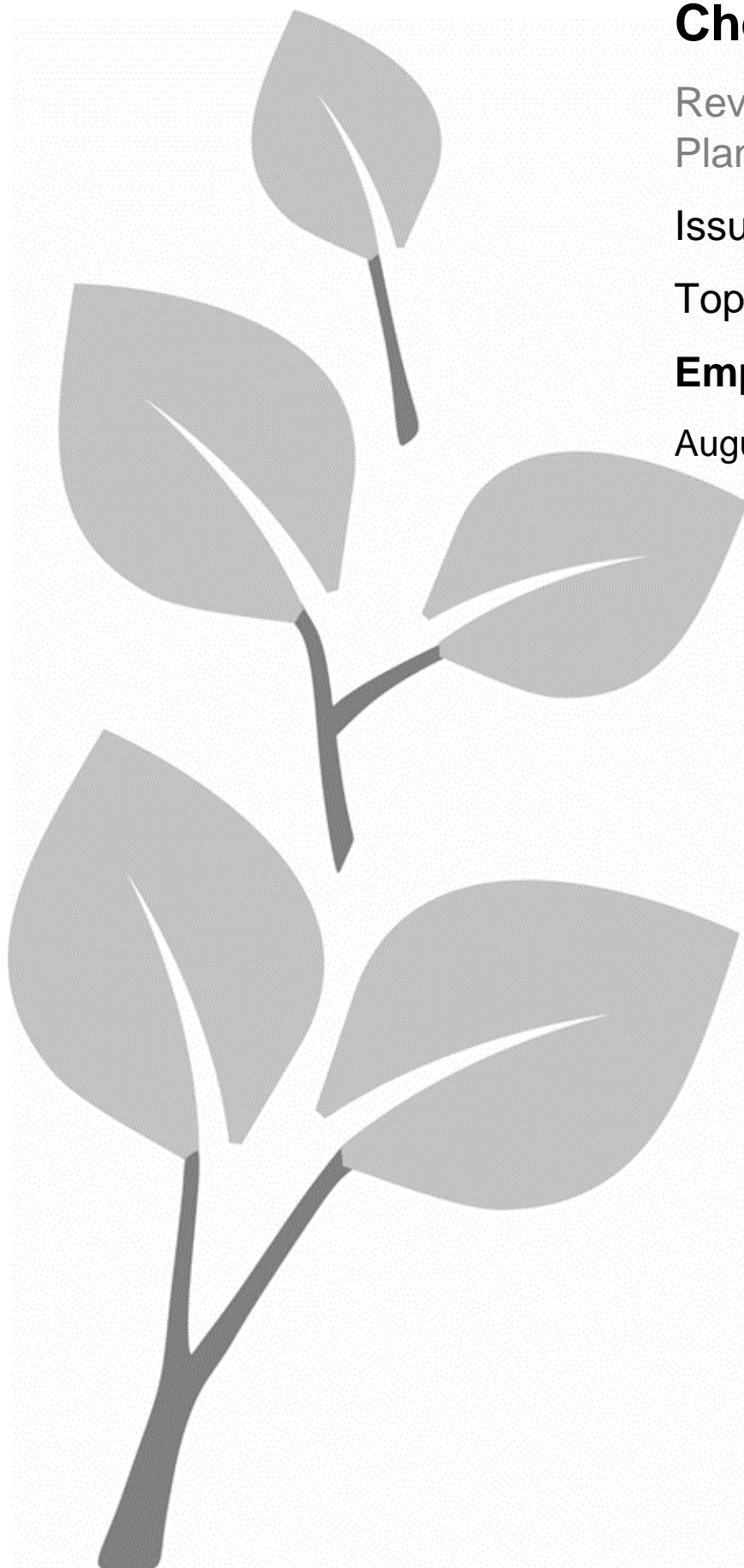
Review of the adopted Local Plan

Issues and Options

Topic Paper:

Employment

August 2022



1. Purpose

- 1.1. This Topic Paper is one of a number produced by Chelmsford City Council to set out how the review of the Local Plan has been developed. Topic papers will be refreshed and updated at each stage of the Local Plan Review process to ensure the latest information/position is available. This will avoid confusion and duplication and the latest topic paper will supersede any previous versions.
- 1.2. The intention of the topic papers is to provide background information; they do not contain any policies, proposals or site allocations. Topic papers will form part of the Local Plan evidence base which will be submitted alongside the Local Plan for independent examination.
- 1.3. This Topic Paper covers employment and promoting a prosperous economy.
- 1.4. The Topic Paper provides background information and provides context of how the Local Plan has been formulated. It should be read alongside the other Topic Papers produced.
- 1.5. The main issues covered by this Topic Paper are:
 - National planning policies covering employment issues
 - Employment evidence base
 - How the Review of the Adopted Local Plan will encourage sustainable economic growth and meet future employment needs.

2. Background

- 2.1 The economic vitality of Chelmsford and the success of its businesses are fundamental to improving the prosperity and quality of life of local residents.
- 2.2 Chelmsford's economy and employment base is strong supporting around 87,000 jobs – the highest of any local Council in Essex. There are around 9,000 businesses in the area. The economy is mixed with high numbers of jobs in the retail sector, health and social work sector, professional and scientific sector and the administrative support sector. Growing employment sectors across Essex that are set to create new jobs over the next 20 years include advanced manufacturing, low carbon and renewable energy technologies, life sciences and healthcare, digital and creative services, financial and business services, and logistics (Chelmsford Economic Strategy, 2017).

- 2.3 Average wage levels are also above that of the eastern region and the national average, both in terms of by place of work and by place of residence. Chelmsford also has a higher proportion of managerial and professional workers compared to regional and national averages.
- 2.4 Unemployment is low (around 2.5%) when compared to the eastern region and Great Britain despite the impact of the Covid-19 pandemic, reduced business revenues and an increase in home-based working. Around 85% of existing businesses have less than nine employees, and micro-businesses are growing which is increasing demand for shared facilities close to services and residential areas.
- 2.5 Over 50% of Chelmsford's working population both live and work in Chelmsford with around 20% of workers commuting to London. Other popular destinations for Chelmsford residents to work are Basildon, Maldon, Brentwood and Braintree, where some 16% commute to work. Around 36% of Chelmsford's workforce lives outside the area with significant commuting across North Essex, with over 13,000 people commuting from Braintree, Colchester and Maldon each day to work in Chelmsford. This reflects the functional economic geography which Chelmsford shares with Braintree, Maldon and Colchester districts (ONS, 2011).
- 2.6 Chelmsford currently has large number of employment areas. The key larger sites include:
- Chelmsford Business Park, Springfield
 - Dukes Park Industrial Estate, Chelmsford
 - Widford Industrial Estate, Chelmsford
 - Ferrers Road Industrial Area, South Woodham Ferrers.
- 2.7 There are also a number of smaller employment areas such as Beehive Lane Industrial Area and Winsford Way in Chelmsford, and Royal British Legion Trading Estate, Danbury, as well as a wide range of Rural Employment Areas.
- 2.8 Planning permission has been granted for a 40,000 sqm floorspace business park in North East Chelmsford at the Beaulieu development. A masterplan for new development at Strategic Growth Site 3b East Chelmsford including a 5,000sqm office/business park has also been approved. The masterplan for Strategic Growth Site 6 North East Chelmsford for 45,000 sqm of office/business floorspace as part of the new Chelmsford Garden Community is also advancing.
- 2.9 Whilst the worst impacts of COVID 19 are now considered in the past there has been impact on the local economy. There are also macro factors that are driving business decisions – operational costs, utility costs, having too much space for hybrid working etc. A number of businesses have closed, although there have been no major

economic shocks or losses. However, businesses are changing how they operate, and we are seeing larger office spaces contract and higher demand for co-working office space of high quality on flexible terms. City Centre retail is contracting, and we know that our city centre will need to adapt to the changing demands and needs of customers. The review of the adopted Local Plan will address the need for a flexible approach to employment space provision in an evolving global, national and local economy. Given national and local economic factors a review of employment land provision is being undertaken as part of the review of the adopted Local Plan to ensure that the Local Plan allocations provide for sufficient flexibility and to meet the Council's wider economic vision

2.10 More information on the Chelmsford economy is given the Integrated Impact Assessment of the review of the adopted Local Plan: Issues and Options Consultation Document, August 2022.

3. Issues and Options

Policy Context

National Policy

- 3.1. All policies in the Local Plan must be positively prepared, justified, effective and consistent with national policy. The National Planning Policy Framework (NPPF) sets out the overarching planning policy framework, supported by National Planning Practice Guidance (PPG).
- 3.2. The adopted Local Plan (2020) was examined using the 2012 NPPF. There have subsequently been updates to the NPPF and the review of the adopted Local Plan needs to be considered against the requirements of the 2021 NPPF.
- 3.3. Although some areas of the NPPF remain unchanged in respect of economy, any new development proposals and policies will still need to be tested against the relevant NPPF requirements. There are also some areas of the NPPF which have been updated/amended since the adoption of the Local Plan that will need to be reflected.
- 3.4. The NPPF 2021 states that the purpose of the planning system is to contribute to the achievement of sustainable development. The economic objective is to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity; and by identifying and coordinating the provision of infrastructure (paragraph 8).

3.5 Chapter 6 (Building a strong, competitive economy) states that planning policies should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development. The approach taken should allow each area to build on its strengths, counter any weaknesses and address the challenges of the future. (Paragraph 81). It goes on to state that planning policies should:

- set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth
- set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period
- seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment
- be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices (such as live-work accommodation), and enable a rapid response to changes in economic circumstances
- recognise and address the specific locational requirements of different sectors including for storage and distribution
- support the sustainable growth and expansion of all types of business in rural areas, and
- should recognise that sites to meet local business and community needs in rural areas may have to be found adjacent to or beyond existing settlements. (Paragraphs 82-85)

3.6 The Council has completed a review of the adopted Local Plan against the requirements of the 2021 NPPF. Much of the Local Plan meets most requirements in respect to economy. It has also been tested through the development management process and found to be working effectively, and site allocations for new employment development are progressing in line with projections. There are some aspects of the adopted plan which are not fully reflected given that the Local Plan was adopted prior to the latest version of the NPPF. These include Strategic Policy S8 and Local Policy DM4 to reflect changes to the Use Class Order. Changes are also required to ensure that the plan continues to meet future employment needs to 2041 including potential new employment site allocation policies.

3.7 The table below sets out the key issues to be considered at the Regulation 18 Issues and Options Stage. This assesses the adopted Local Plan against the key NPPF requirements in respect of economy and identifies Chelmsford City Council's assessment of the adopted Local Plan's compliance with the 2021 NPPF. The proposed approach to the review of the adopted Local Plan is then set out using the following colour codes:

The following quick reference colour codes in **column A** helpfully identify new or revised NPPF requirements since the adoption of your plan (which was examined under 2012 NPPF):

Key:

New plan-making requirement of the NPPF 2019 and/or NPPF 2021 not contained within the previous 2012 version
Revised plan-making requirement of the NPPF, containing some changes from the 2012 version
Requirement of the NPPF which has not changed from the 2012 version in relation to plan-making

Column C then assesses the adopted Local Plan against the NPPF requirements and identifies CCC's assessment of the adopted Local Plan's compliance with the 2021 NPPF using the following colour codes:

Key:

Adopted Local Plan meets NPPF requirement
Adopted Local Plan partially meets NPPF requirement
Adopted Local Plan does not meet NPPF requirement

	A. NPPF Requirement (Economy)	B. NPPF Paragraph Reference	C. Local Plan Approach
1.	Create conditions in which businesses can invest, expand and adapt.	NPPF Para 81	Set out in adopted Local Plan (Strategic Policies S6, S7, S8, S12, Policies DM4, DM5, DM6 to DM12). Need to review these and consider economic changes since adoption, including impact of COVID 19, and ensure any amendments through the review continue to be NPPF compliant. Partial review required to address this NPPF requirement.
2.	Set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to Local Industrial	NPPF Para 82	Set out in adopted Local Plan (Strategic Policies S6, S7, S8, S12, Policies DM4, DM5, DM6 to DM12). Need to review these and consider economic changes since

	A. NPPF Requirement (Economy)	B. NPPF Paragraph Reference	C. Local Plan Approach
	Strategies and other local policies for economic development and regeneration.		adoption, including impact of COVID 19, and ensure any amendments through the review continue to be NPPF compliant. Partial review required to address this NPPF requirement.
3.	Set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period.	NPPF Para 82	Set out in adopted Local Plan (Strategic Policies S6, S7, S8, S12, Policies DM4, DM5, DM6 to DM12). Need to review these and consider economic changes since adoption, including impact of COVID 19, to ensure the right type and amount of land/sites is included in the review. Ensure any amendments through the review continue to be NPPF compliant. Partial review required to address this NPPF requirement.
4.	Seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment.	NPPF Para 82	Need to review evidence to ensure it covers these and consider economic changes since adoption, including impact of COVID 19, and identify any potential barriers. Ensure any amendments through the review continue to be NPPF compliant. Partial review required to address this NPPF requirement.
5.	Be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices (such as live-work accommodation), and to enable a rapid	NPPF Para 82	Need to review evidence to ensure it covers these and consider economic changes since adoption, including impact of COVID 19 and working from home. Ensure any amendments

	A. NPPF Requirement (Economy)	B. NPPF Paragraph Reference	C. Local Plan Approach
	response to changes in economic circumstances.		through the review continue to be NPPF compliant. Partial review required to address this NPPF requirement.
6.	Recognise and address the specific locational requirements of different sectors. This includes making provision for clusters or networks of knowledge and data-driven, creative or high technology industries; and for storage and distribution operations at a variety of scales and in suitably accessible locations.	NPPF Para 83	Policy S8 refers to supporting different sectors. We are aware of the demand for additional storage and distribution floorspace in Chelmsford and this is being addressed in the review of the adopted plan. In terms of other sectors, the local economy is based upon strengths across a range of sectors. The City Council is working with a range of partners to focus on particular sectors that include high tech/research and development (including medical technology, quantum and space technology), financial and business services and retail/culture/visitor. The new employment evidence base will address how the Local Plan can best support these sectors and alongside private sector partners, the Universities and the County Council, a refreshed Economic Strategy for Chelmsford and the North Essex Economic Area will target an approach to supporting these sectors to support the local economy.
7.	Enable the sustainable growth and expansion of all types of business in rural areas, both through conversion of existing	NPPF Para 84	Set out in adopted Local Plan (Strategic Policy S8, S11, Policies DM4, DM6 to DM12). Check policies to ensure latest wording

	A. NPPF Requirement (Economy)	B. NPPF Paragraph Reference	C. Local Plan Approach
	buildings and well-designed new buildings.		of the NPPF is reflected in these policies and any amendments through the review continue to be NPPF compliant.
8.	Enable the development and diversification of agricultural and other land-based rural businesses.	NPPF Para 84	Set out in adopted Local Plan (Strategic Policy S8, S11, Policies DM6 to DM12). Check policies to ensure latest wording of the NPPF is reflected in these policies and any amendments through the review continue to be NPPF compliant.
9.	Enable sustainable rural tourism and leisure developments which respect the character of the countryside.	NPPF Para 84	Set out in adopted Local Plan (Strategic Policy S8, S11. Policies DM6 to DM12). Check policies to ensure latest wording of the NPPF is reflected in these policies and any amendments through the review continue to be NPPF compliant.
10.	Enable the retention and development of accessible local services and community facilities, such as local shops, meeting places, sports venues, open space, cultural buildings, public houses and places of worship.	NPPF Para 84	Set out in adopted Local Plan (Strategic Policy S5, S9, S10, S12. Policies DM20 to DM22). Check policies to ensure latest wording of the NPPF is reflected in these policies and any amendments through the review continue to be NPPF compliant.
11.	Recognise that sites to meet local business and community needs in rural areas may have to be found adjacent to or beyond existing settlements, and in	NPPF Para 85	Adopted Local Plan allocates Rural Employment Areas. Need to review suite of rural/countryside/employment/community facility policies to ensure these issues are covered. Currently lacking reference to

	A. NPPF Requirement (Economy)	B. NPPF Paragraph Reference	C. Local Plan Approach
	locations that are not well served by public transport.		enable business uses particularly outside of Defined Settlement Boundaries or allocated employment areas. Ensure any amendments through the review are NPPF compliant.

3.8 The Plan-making part of the Planning Practice Guidance (PPG) stresses the need for a clear understanding of business requirements in their area in order to assess:

- the need for land or floorspace for economic development, including both the quantitative and qualitative needs for all foreseeable types of economic activity over the plan period, including for retail and leisure development
- the existing and future supply of land available for economic development and its suitability to meet the identified needs. (Paragraph: 041 Reference ID: 61-041-20190315).

3.9 New national Permitted Development Rights introduced in 2020 allow for the change of use of some offices and employment premises to dwellings and other uses including shops, without the need for a planning application. Amendments to the Use Class Order also allow greater flexibility to change uses within high streets and town centres. As a result, changes to existing policies will be required, including the approach of protecting retail and employment uses, although this will follow the consideration of further evidence gathering and consultation feedback.

Local Plan Policy

3.10 The adopted Local Plan supports and encourages local economic development by allocating new sites for employment uses, protecting existing employment sites from other competing uses and encouraging the growth of the rural economy. It concentrates large new scale employment development sites as part of strategic new development sites on the edge of Chelmsford Urban Area at Beaulieu, Sandon and Chelmsford Garden Community.

3.11 The current plan also identifies growing employment sectors that are set to create new jobs over the next 20 years (Strategic Policy S8). It further seeks to maintain and enhance the vitality of our city, town and local centres (Strategic Policy S12). Other current Local Plan policies that relate to this topic include:

- S6 – Housing and Employment Requirements
- Policy DM4 – Employment Areas and Rural Employment Areas

3.12 And relevant site allocation policies including:

- Strategic Growth Site Policy 3b - East Chelmsford – Land North of Maldon Road (Employment) – allocates around 5,000sqm of new Use Class B1 floorspace, or other appropriate B Use Classes
- Strategic Growth Site Policy 6 – North East Chelmsford – includes the provision of 45,000sqm of floorspace in a new office/business park providing a range of unit sizes and types, and
- Special Policy Areas SPA1-6 - enables the operational and functional requirements of these facilities or institutions to be planned in a strategic and phased manner.

3.13 The review of the adopted Local Plan will continue to have an important role in driving and supporting sustainable economic development to deliver jobs and in maintaining a prosperous and balanced local economy.

Duty to Co-operate

3.14 The Council is committed to co-operating with other bodies on strategic planning matters. The Duty to Co-operate Strategy was reviewed and adopted in January 2022.

3.15 The Council will make every effort to seek co-operation on cross-boundary and strategic planning matters in a focused, positive and structured way. We will discuss the Review of the Adopted Local Plan with neighbouring planning authorities and the prescribed bodies at stages which align with and inform the stages of the Review of the Adopted Local Plan. These discussions will help to formulate the quantum and distribution of Chelmsford's future growth, which will be supported by updated evidence.

3.16 At the same time, we will continue to work constructively with nearby planning authorities on their own local plan preparation. Early engagement and demonstrating co-operation both with neighbours and the prescribed bodies through Statements of Common Ground are key to meeting the legal duty to co-operate.

3.17 In some cases, discussion on strategic matters will continue through existing joint working arrangements. We will also arrange meetings and prepare Statements of Common Ground.

3.18 The strategic matters that may apply to the review of the adopted Local Plan have been identified as follows:

- Delivering homes for all including Gypsy and Traveller accommodation
- Jobs and economy including green employment and regeneration
- Retail, leisure, and cultural development
- Sustainable transport, highways and active travel
- Climate change action and mitigation including flood risk and zero carbon
- Natural and historic environment including increased biodiversity and green/blue/wild spaces and connectivity of ecological networks
- Community infrastructure including education, health and community facilities
- Utility infrastructure including communications, waste, water and energy
- London Stansted Airport future airspace redesign.

Integrated Impact Assessment

3.19 The Council is carrying out an ongoing Integrated Impact Assessment (IIA) as the Review of the Adopted Local Plan develops. The IIA will assess the following aspects of sustainable development:

- Sustainability Appraisal (SA)
- Strategic Environmental Assessment (SEA)
- Habitats Regulations Assessment (HRA)
- Health Impact Assessment (HIA)
- Equality Impact Assessment (EqIA)

3.20 The SA, SEA and HRA are a requirement of national policy. The HIA and EqIA are voluntary, but the Council believes they will help to provide a complete picture of the sustainability of the Review of the Adopted Local Plan.

3.21 The IIA identifies the key sustainability issues for the Review of the Adopted Local Plan, which feed into a framework against which proposals will be assessed. It will cover the potential environmental, social, economic and health performance of the Local Plan and any reasonable alternatives. It will be used at each stage of the review of the adopted Local Plan, and be subject to separate consultation, as follows:

- Scoping Report
- Issues and Options – Current Stage
- Preferred Options
- Submission
- Adoption.

3.22 The Issues and Options IIA appraises key sustainability issues (Table 3.19) and Appraisal Framework Objectives (Table 4.1) relating to this Topic Paper. Please see the Issues and Options IIA for more information.

Evidence base

3.23 In accordance with the requirements of the NPPF, policies and their requirements should be based on up to date evidence. A number of evidence base studies were developed to inform and support the adopted plan. These include the Chelmsford City Centre Office Market Review, Chelmsford Retail Study Update, Employment Land Review, Chelmsford Economic Strategy and Delivering Economic Growth in Chelmsford to 2036.

3.24 New and updated employment evidence base will be prepared to inform the review of the adopted Local Plan to identify future trends, supply and needs, longer term impact of the Covid pandemic, changes to working practices and the need to support the growing green economy. The revised evidence base will provide a full supply v demand analysis in the context of changing employment needs, trends and challenges to ensure that the Plan review contains sufficient land and policy approaches to maximise Chelmsford's future economic growth. Through this process we will also look at other emerging issues that we may wish to address. Key economic and employment related issues identified so far include:

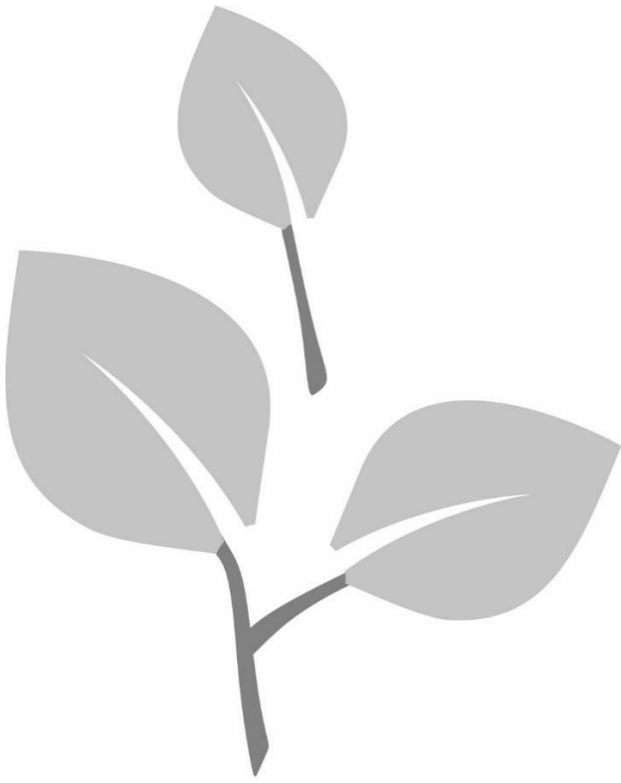
- Providing facilities where people from different businesses can share working spaces or premises as well as supporting services
- Supporting Small and Medium Enterprises (SME) and business start-ups by providing facilities for co-working space and grow on space
- Allocating additional employment space to meet future needs identified
- Reflecting new legislation which allows the conversion from offices and light industrial premises to residential and other uses without planning permission
- Delivering a range of diverse employment sites with different employment uses to support economic growth and maintain Chelmsford's position as a diverse, well balanced and strong local economy
- Ensuring a flexible supply of land and premises for employment development in a changing employment context (including retail restructure, pandemic and changing commuting patterns etc)
- Supporting economic development in the rural areas of Chelmsford

- Supporting the growth of new sectors linked to the growth of Anglia Ruskin University such as medical technologies and to support the Essex Sector Development Strategy for other target sectors, including quantum and space
- Nurturing the growth of existing sectors such as the creative sector and tourism sector
- Supporting the growing green economy
- Ensuring that the employment opportunities in the Garden Community maximise the delivery of the adopted Garden Community Principles and support the development of 5,500 new homes
- Looking beyond the Chelmsford administrative area and embracing the opportunities presented across wider economic geographies, including the North Essex Economic Board area and London
- Requiring development and end-use Employment and Skills Plans for larger developments to align construction skills and job opportunities with training provision.

3.25 Updated evidence that has been commissioned includes an employment land review and retail study update to forecast need for employment and retail floorspace over the plan period and how we can meet these needs. The 2022 Strategic Housing and Employment Land Availability Assessment (SHELAA) will also review suitable land for potential new employment growth and business employment land. The outcomes of this work will feed into the preferred options review plan be summarised in future updates to this topic paper.

4. Next Steps

4.1 This Topic Paper will be updated and expanded on following feedback to the Issues and Options consultation and progress of evidence based documents. An updated version will then be published at the next stage of Local Plan Consultation (Preferred Options) setting out the progress made and the reasoning behind the proposals in the Preferred Options Consultation Document.



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