

2007-2008
*Neighbourhood and
Community Champions:
The Role of Elected Members*

2006-2007
*Improving Rural Services
Empowering Communities*

2005-2006
Getting Closer to Communities

South Somerset District Council Employment Land Review Stage 2

Prepared by
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EXECUTIVE SUMMARY

- The three Employment Land Review reports have been prepared jointly by BNP Paribas Real Estate (previously AtisReal) and South Somerset District Council. Stage 1 was prepared initially by BNP Paribas Real Estate and then taken forward by South Somerset District Council for subsequent revision, whilst the District Council predominantly prepared Stages 2 and 3, but were aided and advised by BNP Paribas Real Estate.
- This, the second stage of South Somerset District Council's Employment Land Review (ELR), attempts to rationalise the employment land allocation provided for the District in Policy HMA13 of the Secretary of State's Proposed Modifications to the draft Regional Spatial Strategy (RSS), and apply that rationale to local conditions, thereby creating a more robust picture of future land requirements.
- The draft RSS utilises the following reports to forecast employment land requirements:
 - The Demand and Supply of Employment Land, Sites and Premises in South West England (DTZ Consulting & Research for SWRDA, January 2007)
 - RSS Employment Land Provision: Spatial Implications (Roger Tym & Partners for Regional Assembly, July 2008).
- The South Somerset Housing Market Area (HMA) will be required to provide for growth of about 10,700 jobs to 2026. The HMA is effectively the District boundary. No comparable figure is given for the amount of employment land (Uses B1, B2 and B8 of the Use Classes Order) that will be required for these 10,700 jobs.
- The draft RSS requires the District Council to provide around 43 hectares (ha) of employment land in the Yeovil Travel To Work Area (¹the Travel To Work Area – TTWA - based on the 1991 Census, does not equate to the entire District, for example it excludes significant settlements such as Chard, Wincanton and Somerton). The RSS views 43ha as sufficient to cater for the 9,100 jobs, which is cited as being required in the Yeovil TTWA.
- Employment land allocations in the LDF totalling 43 ha (for period 2006-2026) will NOT be sufficient to meet the demand for employment land in the District over the next 20 years, for the reasons set out below:
 - The 43ha identified in the SWRDA report, is for Yeovil only, and this figure appears to have been carried forward into the draft RSS, but as a figure for the Yeovil TTWA, as opposed to Yeovil Strategically Significant City or Town.
 - Additional land will be required in the smaller Towns and Rural Centres to provide for the 1,600 job difference between the HMA (10,700 jobs) and the Yeovil TTWA (9,100 jobs). This will also allow for more organic growth, which is recommended in the draft RSS.

¹ The TTWA has changed since publication of the draft RSS, it is significantly different for South Somerset, see Figure 2.1 and 2.2 for details, yet the RSS suggests that the figures be applied in the same way.

- Additional land is required to cater for the projected growth in jobs (see Figure 3.1) to 2026.
- Further land is required in Yeovil SSCT for office space and to allow for the spin off from the aircraft engineering industry, which is still set to grow, despite the economic recession.
- An allowance of land should be made to compensate for the continuing loss of existing stock through dilapidation and change of use.
- **There is a need/demand for approximately 104 hectares of employment land in South Somerset to 2026.**

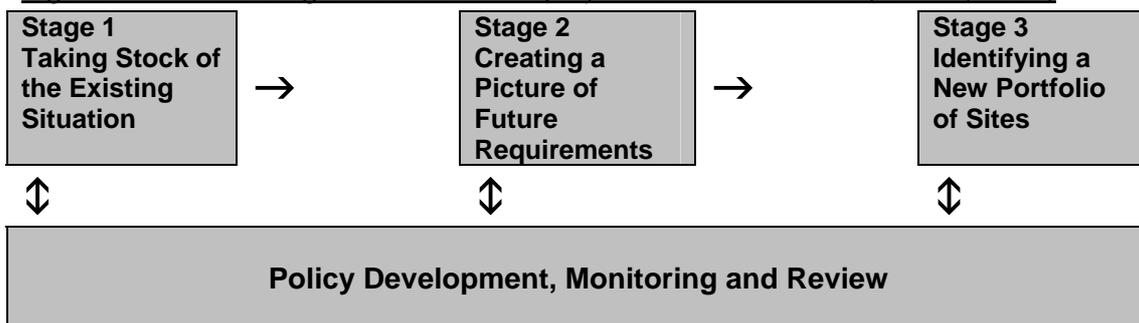
1.0 INTRODUCTION AND METHODOLOGY

As stated in Stage One of the South Somerset Employment Land Review (ELR), an ELR helps Local Planning Authorities and their partners to assess the demand for and supply of land for employment. It is an integral part of the preparation of the Local Development Framework (LDF), as it will inform future employment land allocations.

Objectives and Overall Approach

The ELR Guidance Note recommends a three-staged approach to undertaking an ELR.

Figure 1.1: Three-Stage Process for Employment Land Reviews (ODPM, 2004)



Stage One, which was produced in parallel with this report, identifies a gross supply (i.e. ignoring the projected loss of employment land to alternative use, as detailed below) of 109.2ha of employment land as at 1st April 2008 ² (see Figure 1.2 below) which when measured against the draft Regional Spatial Strategy (draft RSS)³ requirement of 43ha appears to be more than adequate. However, this is prior to a detailed assessment of need, which is undertaken here, in Stage Two of the ELR.

Figure 1.2: Total Employment Land Supply in Relation to the Emerging RSS as at 1st April 2008

Supply as at 1st April 2008	
Completions (1 st April 2006 - 31 st March 2008)	15.63
Under Construction (as at 31 st March 2008)	1.22
Outstanding Planning Permission (as at 31 st March 2008) (comprising Outline permissions and Full permissions)	18.95
Lapsed Planning Permission (as at 31 st March 2008)	17.23
Gross Supply as at 1st April 2008	53.03ha
Including residual saved allocations (73.22)	126.25ha
Minus losses	
Employment land lost to other uses (1 st April 2006 - 31 st March 2008)	6.38
Employment land likely to be lost to other uses (as at 31 st March 2008)	8.29
Net supply	38.36ha
Including residual allocations (73.22)	111.58ha

² This figure includes 73.22ha of residual Local Plan allocations, and does not take into account losses of employment land.

³ Unless stated, 'draft RSS' refers to the Secretary of State's Proposed Modifications to the draft RSS (22nd July 2008), which is the most recent version of the policies and proposals.

Methodology

The main objective of Stage Two is to quantify the amount of employment land required across the main business sectors during the plan period (2006-2026).

The starting point for quantifying the need is the draft RSS, which identifies a requirement of 43ha for the Yeovil Travel To Work Area (TTWA). This report examines the evidence, which supports that requirement and identifies flaws with the interpretation of that evidence and ultimately with the requirement of 43 hectares for the Yeovil TTWA.

Using the ODPM (as was) Employment Land Reviews Guidance Note (2004), the following evidence is utilised to produce a range of figures for employment land provision:

- Draft RSS employment land figures
- Standard Industrial Classification - translating jobs into land,
- District Council Monitoring of past trends; and
- South Somerset District Council Business Perspectives on Property Workspace Survey and Review (March 2008)

Following the production of a range of figures, all the data sources are brought together and refined to quantify the amount of employment land needed for Yeovil Strategically Significant City or Town (SSCT) and the rest of the District up to 2026.

Stage Three of the ELR will bring together the conclusions of Stages One and Two to provide a picture of future employment land requirements for the District's main settlements, refining a final requirement by taking account of the geography and type of employment land required in each settlement and across the District as a whole.

2.0 PROVISION OF EMPLOYMENT LAND – THE REGIONAL SPATIAL STRATEGY

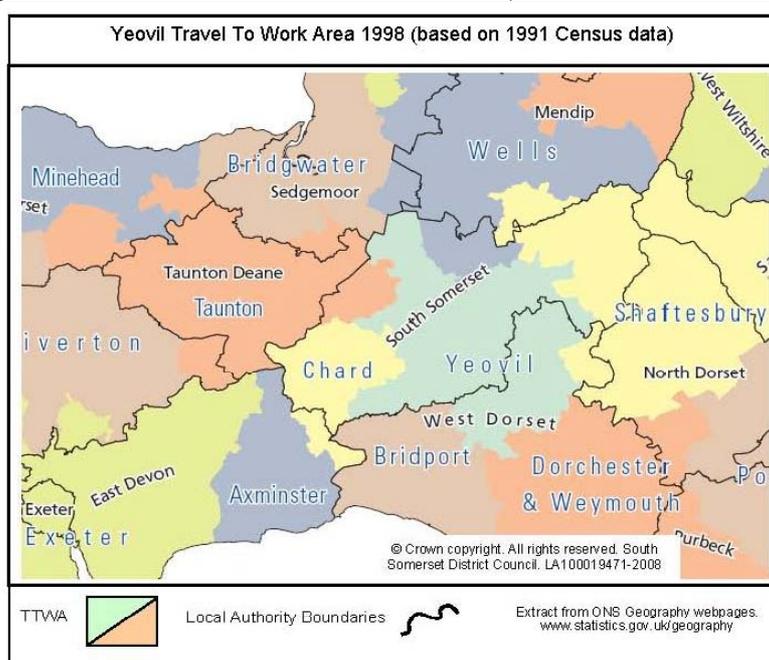
Policy HMA13 - South Somerset Housing Market Area, of the draft RSS requires the District Council to make provision for around 43 hectares of employment land in the Yeovil TTWA. The draft RSS does not provide a District-wide figure for employment land provision.

The 43 hectares cited in the draft RSS is flawed for two reasons and these are outlined below:

1. Yeovil Travel To Work Area

The draft RSS states that 43ha of employment land will be required in the Yeovil TTWA up to 2026. Not only does the Yeovil TTWA not match the District Boundary as it includes areas of West Dorset, but there has been a change to the Yeovil TTWA since the publication of the draft RSS. Previously it was based on the 1991 Census, and now it is based on the 2001 Census, resulting in a significantly different TTWA for South Somerset, please see figures 2.1 and 2.2 below.

Figure 2.1: Yeovil Travel To Work Area - (based on 1991 Census)

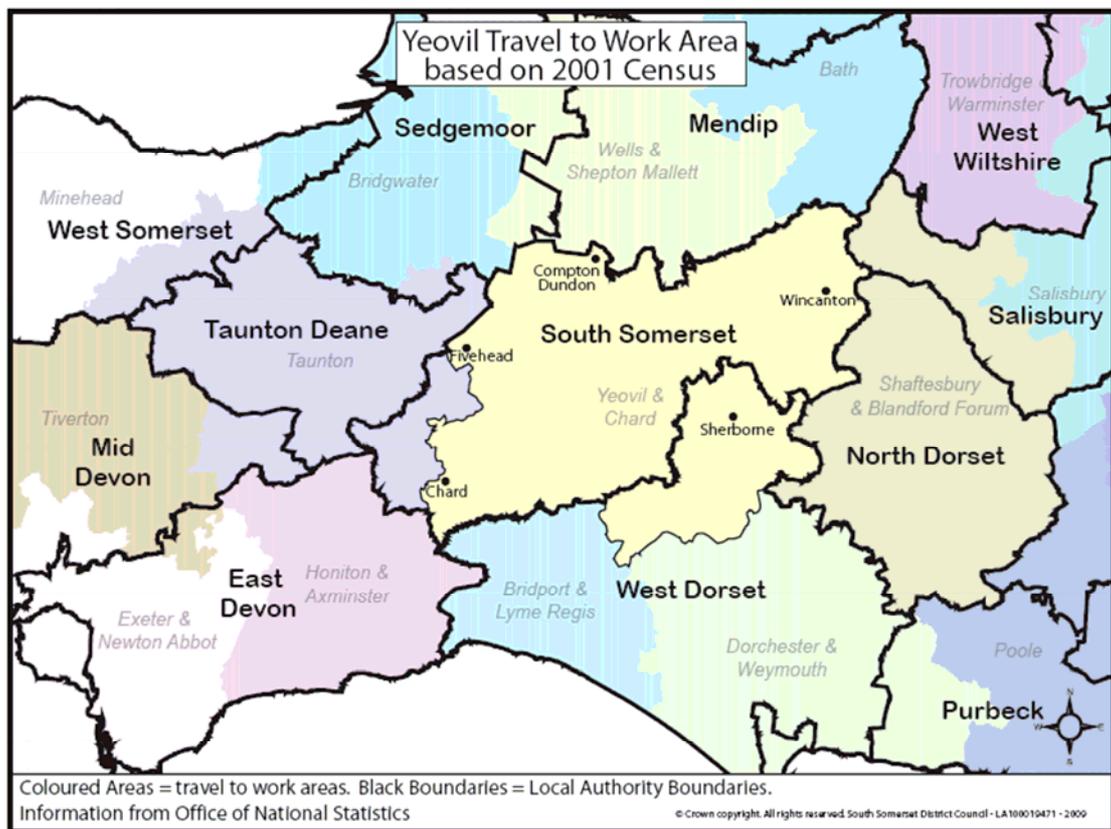


The Yeovil TTWA based on the 1991 Census excludes Chard and Wincanton, two significant towns⁴ and potential RSS Development Policy B Classification settlements.⁵ The Yeovil TTWA based on the 2001 Census is larger, it now includes Chard and Wincanton, and also settlements such as Compton Dundon and Fivehead in Area North, which were previously in other TTWAs. Despite this significantly larger geographical area, the draft RSS still requires the provision of around 9,100 jobs and 43 hectares of employment land.

⁴ Chard's population based on 2001 Census - 12,000, Wincanton - 4,650.

⁵ Recommendation made in the South Somerset Settlement Role and Function Study, Baker Associates (April 2009)

Figure 2.2: Yeovil Travel To Work Areas - as referred to in the Proposed Changes to the RSS and based on 2001 Census



This approach is flawed, there are at least 20,000 additional residents included in the new Yeovil TTWA, yet the draft RSS makes no additional employment land or jobs provision for these additional residents. Additional provision must be made.

The Roger Tym & Partners report, RSS Employment Land Provision: Spatial Implications (July 2008) which was produced for the Regional Assembly to provide additional information on employment targets and B-land requirements⁶ for 2006-2026 by District and SSCT, provides details for job growth in the District and Yeovil SSCT which can be used to give an indication of employment land requirements across the District. The report states that total employment is forecast to grow by 10,700 jobs in the South Somerset Housing Market Area (HMA), 5,771 of which are expected to be in the Yeovil SSCT, leaving approximately an additional 5,000 to be accommodated in the rest of the District. This information will be used later in Chapter 3.0 to correct this flaw in the draft RSS employment land requirement methodology for South Somerset.

2. The Origin of the Figure of 43 Hectares of Employment Land

The South West Regional Development Agency (SWRDA) appointed DTZ Consulting & Research in September 2006 to provide an assessment of the demand for, and supply of employment land, sites and premises over the period 2006-2026, as part of their evidence submission for the RSS Examination in Public, which was held April – July 2007.

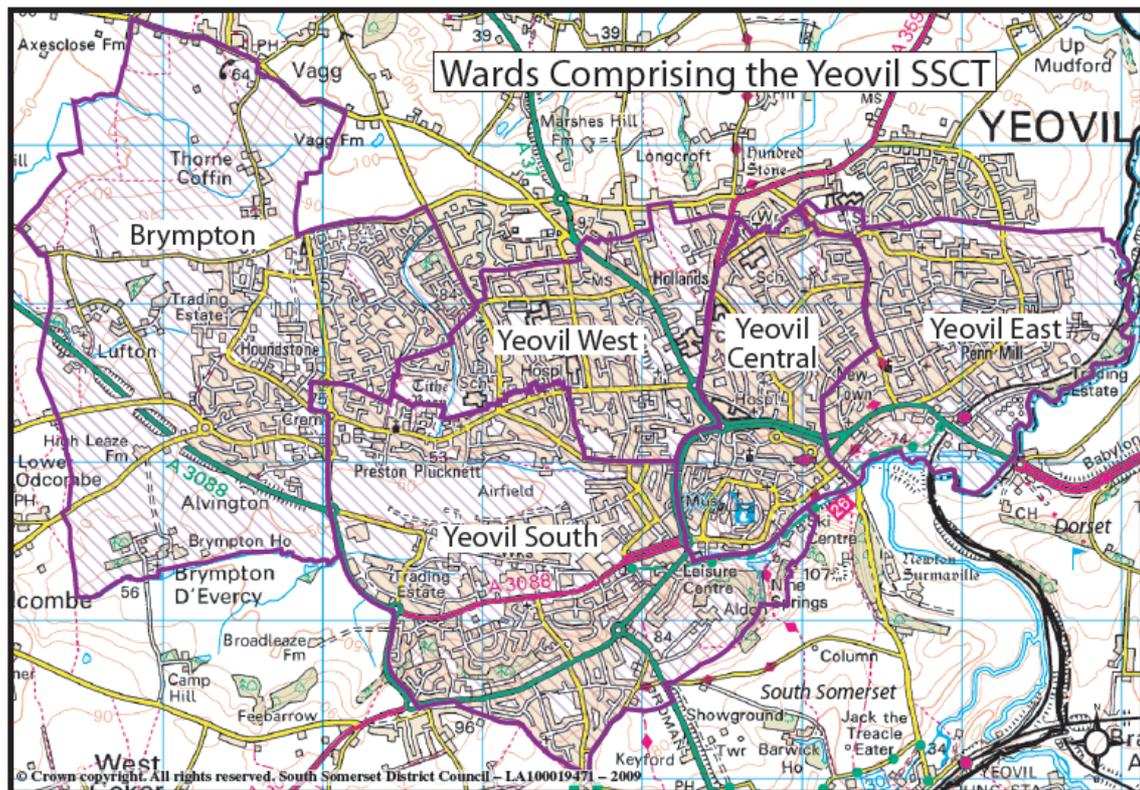
⁶ B-land identified in the Use Classes Order as comprising offices, industrial land and warehousing.

The report, "Employment Land - The South West Regional Development Agency: The Demand and Supply of Employment Land, Sites and Premises in South West England", provides a figure for total demand for employment land for each Strategically Significant City and Town (SSCT) based on the supply of land at that SSCT and the forecast future demand, which is based on the 1991 Travel To Work Areas (TTWA).

The Yeovil SSCT boundary comprises the following wards:

- Brympton
- Yeovil Central, East, South and West

Figure 2.3: Wards comprising the Yeovil SSCT



A figure of 43ha of employment land is cited in this report, as being required to fulfil demand in the Yeovil SSCT. The draft RSS has incorrectly applied the need for 43 hectares of employment land for the Yeovil SSCT to the much larger Yeovil TTWA (based on the 2001 Census). This is incorrect and applying this figure to a much larger area will stifle economic growth in the District, as it will not bring forward sufficient land for development. Additional provision must be made.

Given that the 43 hectares of employment land required for the Yeovil TTWA is incorrect, as has been shown by the misapplication and misinterpretation of data, the next chapter of this report will seek to modify the figure for employment land cited in the draft RSS figure as appropriate, by interpreting additional evidence to quantify the amount of employment land needed for the District and Yeovil SSCT up to 2026.

3.0 PROVISION OF EMPLOYMENT LAND IN SOUTH SOMERSET

South Somerset's HMA, which is effectively the District Council boundary, has a forecast requirement for 10,700 jobs in the draft RSS. The draft RSS also states that 43 hectares of employment land will be required in Yeovil TTWA to accommodate 9,100 jobs, but no figure is provided for the total employment land required to accommodate all of the District's future job growth (10,700 jobs).

The District Council has reviewed whether the 43ha of employment land cited in the draft RSS, is sufficient to cater for the demand for employment land for the period 2006-2026, and has sought to identify an appropriate figure to be incorporated into the Core Strategy.

The recommended figure for employment land for South Somerset is based on the following data sources:

1. Draft RSS - an attempt to modify employment land need using existing figures,
2. Standard Industrial Classification - the projected employment change by sector grouping, as identified in the Roger Tym report⁷, is converted into land type, using Land Use Class categories, to generate floorspace and land requirements,
3. District Council monitoring of past trends - projections of completions and losses of land,
4. Business Perspectives Survey - undertaken by the Council in 2008 to assess future employment land requirements by settlement.

The resultant analysis of each of these data sources is then assessed for compatibility and consistency in order to come to a judgement on the appropriate level of need for Yeovil SSCT and the rest of the District.

Assessment 1. Draft RSS - clarifying employment land need

The draft RSS projects an increase of 9,100 jobs within the Yeovil TTWA, and identifies a need for 43 hectares of employment land to be allocated to meet this increase.

At the wider level, the draft RSS projects an overall increase of 10,700 jobs within the South Somerset HMA, which reflects the District boundary. However, the corresponding need for additional employment land to be allocated, to meet this larger projection has not been explicitly identified.

Additional land will therefore be required in the smaller draft RSS Development Policy B and C settlements to provide for the 1,600 job difference between the HMA (10,700 jobs) and the Yeovil TTWA (9,100 jobs).

As set out in Section Two, there is concern that the application of projections against the historic Yeovil TTWA does not assist with identifying a robust, overall

⁷ RSS Employment Land Provision: Spatial Implications (Roger Tym & Partners, July 2008)

employment land requirement for the District as a whole. Therefore in order to provide this more robust assessment, an analysis of the quantitative data has been undertaken to provide a clearer pattern of need.

Roger Tym & Partners, RSS Employment Land Provision: Spatial Implications, Volume 2: Technical Appendices

The Roger Tym & Partners report cited in Chapter two, which inform the draft RSS employment projections and allocations referred to above, suggests that 5,771 of these new jobs will come within the Yeovil SSCT⁸. The SSCT provides a more definable boundary against which the remainder of the District can be identified for the purpose of this analysis.

Therefore, taking the employment growth projections for the Yeovil SSCT from the remainder of the District provides a net residual figure of c. 5,000 new jobs, to be accommodated within the rest of the District.

Accepting this split in the growth of employment, a figure for the distribution of land can be generated.

The draft RSS average area per job can be calculated as $43\text{ha}/9,100 = 47 \text{ sq m/job}$.

Based on the above split and multiplying the projected employment growth by 47 sq m/per job results in a requirement of:

- 27 hectares for Yeovil SSCT, and
- 24 hectares for the rest of the District.

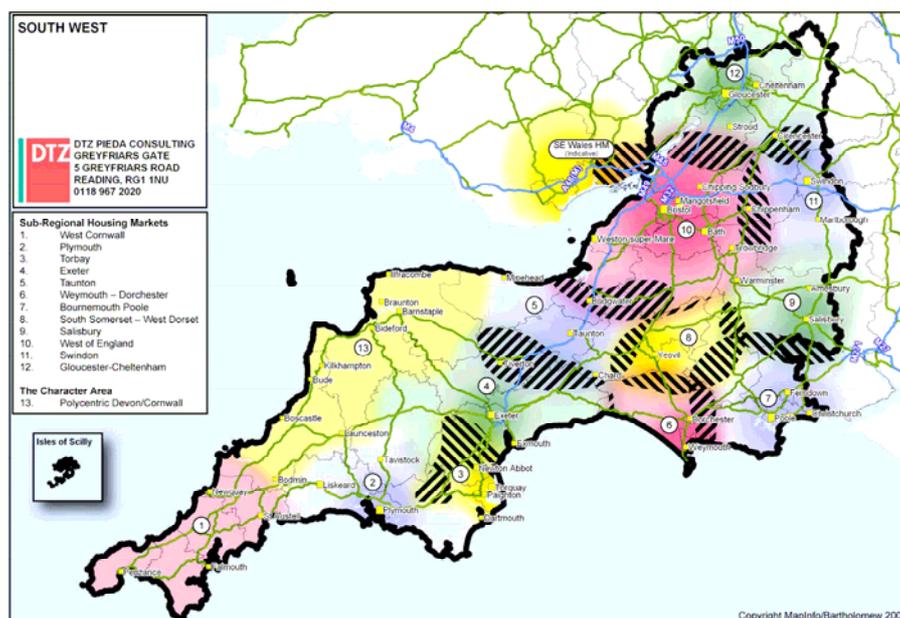
This equates to a total of 51 hectares for the District. The additional 8 hectares could represent the differential between the TTWA and the HMA as outlined in the draft RSS (see boundary of HMA in Figure 3.1).

Limited credibility can only be given to this due to concerns expressed in relation to the draft RSS figures and their application to geographical boundaries.

(Figure 3.1 overleaf)

⁸ Page 9, Volume 1, Guidance Note of the RSS Employment Land Provision: Spatial Implications report (Roger Tym & Partners, July 2008)

Figure 3.1: South Somerset Housing Market Area



Assessment 2. Standard Industrial Classification - translating jobs into land

Annex D of the (then ODPM) Employment Land Review Guidance Note (2004), provides guidance on translating employment forecasts into land requirements.

Cambridge Econometrics (CE), the economic forecasters who were commissioned in 2005 to produce forecasts of employment change by Travel-to-Work-Areas for the draft RSS, provided Roger Tym & Partners with a breakdown of the same forecasts by district for their report. As the CE model does not generate data at the SSCT level, Roger Tym & Partners produced their own employment forecasts for the SSCTs based on estimates, derived from the CE's district figures. These employment projections have been translated using the suggested method (from the then ODPM Guidance Note), into land requirements.

This approach firstly requires each Standard Industrial Classification (SIC) sector group to be matched to a B Use Class category, which was done on the basis of professional judgement and experience of officers. Table 2.1 "The B-Class Land Uses", of the Roger Tym report,⁹ which identifies industrial sectors, their SIC groups and the activities included in that form of employment, was the starting point for this exercise.

Next in order to convert the employment forecasts into floorspace and land requirements, an employment density was applied. Whilst estimates of employment density ratios are commonly used for planning purposes, there is no one correct figure and ratios vary due to a number of factors such as employment sector, function, location, age of building and point in economic cycle. The ELR Guidance Note refers to ratios by Roger Tym & Partners and DTZ¹⁰, but these are based on survey work undertaken in the South East and London. As these are based on the South East and London, the English Partnerships employment densities (September

⁹ Page 20, Volume 2, Guidance Note of the RSS Employment Land Provision: Spatial Implications report (Roger Tym & Partners, July 2008)

¹⁰ Annex D, Employment Land Reviews: Guidance Note (ODPM, 2004)

2001) have been used to translate employment into floorspace for this study, they are based on work across the English regions and are not South East focussed. The English Partnerships employment densities are:

Figure 3.2: English Partnerships Employment Density Ratios

Land Use	Use Class Category	Floorspace per worker
Offices	B1	19sq m/per worker
General Industrial	B2	34sq m/worker
General Warehousing	B8	50sq m/worker

Source: English Partnerships, 2001

Finally, to translate floorspace into land requirements a plot ratio of floorspace to land is applied. Annex D of the ELR Guidance Note gives some direction as to the plot ratios that can be used to calculate the total amount of floorspace that can be developed per net hectare of employment land by broad use. This guidance is provided as a range:

Figure 3.3: Plot Ratios for Employment Use (Gross Floorspace to Site Area)

Land Use	Use Class Category	Plot Ratio		
		Low Plot Ratio	High Plot Ratio	Midpoint
Business Park	B1	0.25	0.40	0.325
Industrial	B2	0.35	0.45	0.40
Warehouse	B8	0.40	0.60	0.50
Town Centre Office	B1	0.75	2.00	1.375

Source: ELR Guidance Note (OPDM, 2004)

Analysis of the District Council's annual monitoring records over the past four years (time frame for monitoring uses within B Use Classes, i.e. distinguishing between offices, warehousing and industrial development) identifies that 44% of office development has taken place on business parks and 56% in 'other' locations. Nothing has been developed on Town Centre sites¹¹ between 2005/06 and 2008/09. The decision has been made to apply business park ratios to 'other' sites as town centre ratios would not be applicable, and 'other' sites would be more likely to have plot ratios similar to those on business parks. This methodology has been undertaken and is presented in tabular form in Figure 3.4 overleaf:

¹¹ Locations that fall within defined saved Local Plan Town Centre boundaries (Saved Policy MC2).

Figure 3.4: Cambridge Econometrics Employment Projections for South Somerset District (2006-2026) translated into employment land requirements

Jobs/Sector	Use Class/Sector ¹²	Standard Industrial Classification Sector, Matched to B Use Classes	3.2% Gross Value Added (GVA) Change by 2026 (Actual Number)	% Change	Floorspace Sq m (ha)	Plot Ratios (PR) in hectares (ha) ¹³		
						Low PR	Mid PR	High PR
Agriculture	No significant levels of employment	N/a	-500	-36%	N/a	N/a		
Mining and Quarrying	No significant levels of employment	N/a	0	0%	N/a	N/a		
Food, Textiles & Wood	Expected to occupy predominantly B2 uses	B2	-1600	-40%	-54400 sq m (-5.44 ha)	-15.54	-13.60	-12.09
Printing & Publishing	Expected to occupy predominantly B2 uses	B2	100	10%	3400 sq m (0.34 ha)	0.97	0.85	0.75
Chemicals & Minerals	Expected to occupy predominantly B2 uses	B2	-200	-25%	-6800 sq m (-0.68 ha)	-1.94	-1.70	-1.51
Metals & Engineering	Expected to occupy predominantly B2 uses	B2	-900	-26%	-30600 sq m (-3.06 ha)	-8.74	-7.65	-6.80
Electronics	Expected to occupy predominantly B2 uses	B2	-600	-60%	-20400 sq m (-2.04 ha)	-5.82	-5.10	-4.53
Transport Equipment (Aircraft)	Expected to occupy predominantly B2 uses	B2	-2300	-39%	-78200 sq m (-7.82 ha)	-22.34	-19.55	-17.37
Other Manufacturing	Primarily B2	B2	0	0%	0	0		
Electricity, Gas & Water	No significant levels of employment	N/a	0	0%	N/a	N/a		

¹² Source - Box D.1 GLA SIC Categories, ELR Guidance Note (ODPM, 2004)

¹³ Source - Box D.7 GLA SIC Categories, ELR Guidance Note (ODPM, 2004)

Construction	High level of self-employment, some B1 & B8	N/a	400	10%	N/a	N/a		
Distribution	B8	B8	6600	43%	330000 sq m (33 ha)	82.50	66.00	55.00
Hotels & Catering	Mainly A3 and C1	N/a	1200	39%	N/a	N/a		
Transport & Communications	Transport will not occupy B space, but some communications companies will occupy large spaces	N/a	500	20%	N/a	N/a		
Banking & Insurance	Some A2, but predominantly B space	B1	0	0%	0	0		
Other Business Services	Predominantly B space	B1	3500	31%	66500 sq m (6.65 ha)	26.60	20.46	16.63
Public Admin. & Defence	Some B use space	B1	400	10%	7600 sq m (0.76 ha)	3.04	2.33	1.90
Education & Health	Mainly C and D uses	N/a	3100	25%	N/a	N/a		
Miscellaneous Services	Only a small proportion would be B use	N/a	1200	46%	N/a	N/a		

	Number of Jobs	Floorspace Sq m (ha)	Low Plot Ratio	Mid Plot Ratio	High Plot Ratio
Total B1 ¹⁴	3900	74100 sq m (7.41ha)	29.64	22.80	18.53
Total B2	-5500	-187000 sq m (-18.7 ha)	-53.42	-46.75	-41.55
Total B8	6600	330000 sq m (33 ha)	82.50	66.00	55.00
Total Employment Space Required in South Somerset (Hectares)		21.71	58.72	42.05	31.98

¹⁴ 44% of office development has taken place on business parks and 56% elsewhere. Nothing has been developed on Town Centre sites according to the District Council's monitoring 2005/06 to 2008/09.

Translating employment forecasts into land requirements in this way indicates that there is a future need for between 32 to 59 hectares of employment land across the District up to 2026 (the mid-point generating a need for 42 hectares). This is obviously a sizable range, and it would prove difficult to plan for such a range. Therefore, taking into account the historic and projected nature of business within South Somerset and historic patterns of development, it has been decided to apply the low plot ratio figures. This results in a larger end projection for land requirements within the District, in turn ensuring maximum sufficient land will be available to support and encourage economic development.

A number of caveats need to be attached to this approach:

1. The need for employment land is not an exact science, translating employment projections as has been done above, can lead to enormous variations in output, if only one factor is changed (for example changing the employment density from 18 sq m/per worker to 19sq m/per worker) it can generate considerably different figures, as does varying plot ratios, as we can see above (high, mid, low ratio).
2. External factors such as employment sector, function, location, age of building and point in economic cycle all affect employment density ratios and therefore plot ratios.
3. Employment land released from one sector is not necessarily suitable for another sector, for example job reductions and therefore vacant land generated from the food, textiles and wood sector would not necessarily be suitable for the distribution sector, and so a mathematical calculation, such as this, loses some significance.
4. It is also important to note that transport equipment (this relates to aircraft industry) is forecast to decline (-2,300 jobs) in the District according to the CE employment projections, but locally, Agusta Westland is bucking the trend, the company is in a strong position after having recently won contracts that will secure its immediate future, and the spin offs to the local economy are still very much apparent. This illustrates how the CE scenario models the macroeconomic forces that drive the global, national and regional economies, it takes account of, and is much less about local supply-side factors, such as the amount of, or quality of land, the state of infrastructure and economic development policies. Nor does it know about detailed features of the local economy, such as particular employers, or specific services and industries, whose potential and prospects may differ considerably from the broad sector of which they are a part. Roger Tym & Partners, in their report to inform the draft RSS¹⁵, note that whilst this approach is "*probably the best way*" to produce a top-down forecast, from a bottom-up perspective, it "*may ignore important factors which local authorities know about, and may wish to adjust for*".
5. Finally, whilst the British economy is in a period of decline and uncertainty, the feeling is that this current global economic crisis will alter the way in which global markets function in the future. As wages equalise

¹⁵ RSS Employment Land Provision: Spatial Implications (July 2008) p18-19, Volume 2 Technical Appendices

between the UK other countries such as the “BRICK” economies¹⁶, it is felt that the UK will not loose employment as previously predicted by the Cambridge Econometrics work, but its ability to retain jobs will strengthen. The recent projections reflect past economic conventions, and the estimated change in terms of jobs is outdated and should reflect more of a conservative estimate of losses.

Bearing in mind these caveats, the figure of 59 hectares should be treated with caution and should be subject to regular monitoring.

In addition to the caveats, it should also be noted that the translation in this ELR of the Cambridge Econometrics Employment Projections for South Somerset District into employment land requirements, has led to different job growth figures than those cited in the Roger Tym & Partners report¹⁷. This would have occurred when each Standard Industrial Classification sector group was matched to a B Use Class category, but given the lack of transparency in the Roger Tym & Partners report, it is difficult to identify why this is the case, but it would appear that Roger Tym & Partners have identified more Non-B Use Class jobs. The differences are identified below and should be noted.

Figure 3.5: Job growth - differences between SSDC and Roger Tym & Partners translation of CE projections

	Roger Tym	SSDC
Change 2006-2026		
Industrial & Warehousing	-3,078 jobs	+1,100 jobs
Office	+3,236 jobs	+3,900 jobs

The different job growth figures will impact on employment land provision, for the more B Use Class jobs there are identified, the more ‘employment land’ that will be required. The Roger Tym & Partners output figure generates no growth in industrial and warehousing, which is considered incorrect locally.

Bearing in mind the concerns raised over the different job growth figures generated above, Roger Tym & Partners in their report¹⁸ establish an aggregated employment land figure for Yeovil SSCT in addition to the district-wide figure. The figures for floorspace have been translated into land requirements using the plot ratios for employment use in figure 3.3.

Figure 3.6: Employment Land Requirements for Yeovil SSCT and the Rest of the District

	Number of Jobs	Floorspace sq m	Low Plot Ratio(Ha)	Mid Plot Ratio (Ha)	High Plot Ratio (Ha)
South Somerset Housing Market Area (the District)					
Industrial & Warehousing (B2 & B8) ¹⁹	-3,078	-107,743 sq m)	-28.85	-24.23	-20.95
Offices (B1)	3,236	58,244 sq m	23.29	17.92	14.56

¹⁶ Group of developing nations referred to as the “BRICK” economies: Brazil, Russia, India, China and South Korea.

¹⁷ RSS Employment Land Provision: Spatial Implications (Roger Tym & Partners, July 2008)

¹⁸ Volume 2, Guidance Note of the RSS Employment Land Provision: Spatial Implications report (Roger Tym & Partners, July 2008)

¹⁹ Assume a 50:50 split for B2 and B8 Uses for the purpose of this exercise. Business Park ratios are used for B1 uses, for reasons explained above.

	Number of Jobs	Floorspace sq m	Low Plot Ratio(Ha)	Mid Plot Ratio (Ha)	High Plot Ratio (Ha)
Yeovil Strategically Significant City or Town					
Industrial & Warehousing (B2 & B8)	-1,137	-39,793 sq m	-10.65	-8.95	-7.74
Offices (B1)	1,537	27,665 sq m	11.06	8.51	6.91

Source Data (jobs and floorspace change): Volume 2, Guidance Note of the RSS
 Employment Land Provision: Spatial Implications report (Roger Tym & Partners, July 2008)

Despite the considerable concerns over the accuracy of the aggregations, and their resultant outputs, meaning that they are generating a lower employment land figure than is actually the case, and the assumptions made over the split of uses (50:50 split for B2 and B8 uses, the outputs in figure 3.6 are valuable as they add to our overall picture of need, by giving an indication of the office space requirements in both Yeovil and the rest of the District.

Ignoring the ‘losses’ of land, the figures indicate that there is a requirement for between 23 and 14.5 hectares of land for offices across the District, and of that between 11 and 7 hectares should be in Yeovil SSCT. The overall picture of need is summarised on page 21.

Assessment 3. District Council Monitoring of Past Trends

Stage 1 of the Employment Land Review looked in detail at past completion rates and loss of employment land (see figure 5.3 and 5.4 in Stage 1 report for details).

a) Completion Rates

Using the District Council’s Annual Monitoring Report survey data, the average completion rate for employment development across the South Somerset District was identified as 3.51 ha per annum from 1991 to 31st March 2008, see figure 3.8. If this figure is projected over the 20yr Regional Spatial Strategy period, it generates a need for approximately 70.2 hectares of employment land.

Figure 3.7: SSDC Employment Land Completion Rates

Annual Completions (in hectares)																	
Structure Plan Requirement = 125 ha	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Cumulative Total Completion Rate	Data Unobtainable							21.26	22.8	25.68	31.75	36.66	41.33	42.5	44.2	45.42	59.93
Annual Completion Rate	Data Unobtainable								1.54	2.88	6.07	4.91	4.67	1.17	1.70	1.22	14.51

Figure 3.8: Average Annual Completion Rates by Area (July 1991 - 31st March 2008)

Area	Completions 1991- 31 st March 2008 (Ha)	Annual Average (Ha)	Completions 1 st April 2006 - 31 st March 2008	Annual Average (Ha)
East	23.91	1.4	10.06	5.03
North	5.94	0.35	1.99	0.99
South	20.06	1.21	2.35	1.17
West	9.92	0.58	1.23	0.62
Total	59.83	3.51	15.63	7.81

This approach is clearly simplistic and completion rates can vary considerably (for example between 1st April 2006 and 31st March 2008, 15.63 hectares of land was completed, increasing the average completion rate to 7.81 hectares per annum, as opposed to 3.51 hectares, due to the building of Royal Canin UK's pet food factory on Torbay Road, Castle Cary, which involved almost 9 hectares of land). Given the current economic climate, the projected annual completion rate over the draft RSS period is bound to be much lower than 7.81 hectares per annum, and so projecting 3.51 hectares seems a more conservative estimate.

In order to avoid double-counting, completions for the period 2006-2008 need to be deducted from the gross figure of 70 hectares, to provide a net requirement for the draft RSS period 2006-2026. This results in a net requirement of 54.5 hectares.

This net figure can be broken down to Yeovil SSCT and the Rest-of-the-District level, and when this is done and projected forward over the draft RSS period, results in a requirement of:

- 21 ha for Yeovil SSCT
- 33.5 ha for Rest-of-the-District

Not only is this approach overly simplistic, it does not take into account changes in economic patterns or trends or strategic economic policy.

Assessment 4. Business Perspectives on Property Workspace Survey and Review (March 2008)

The report, undertaken by BNP Paribas Real Estate, forms part of an ongoing process of review by the District Council into the needs and demands of businesses in respect of workspace and employment land. The survey work, which underpins the report, was undertaken in 2007 and is based on direct evidence taken from local businesses within the District. It acts as a snapshot, showing the minimum amount of potential latent demand from a proportion of existing businesses. *The report does not indicate the total amount of workspace or employment land required for the District, and given the 20% response rate it is likely to be an underestimation of need.*

The report identified a need for some 7.5 to 10 hectares of employment land across the District to meet identified latent demand from local businesses. Given the 2-5 year time frame, applying a factor of 4 will project a 20-year period, which equates to between 30 to 40 hectares of land. Caution will need to be applied to this basis as it assumes that latent demand remains constant.

However, the projection of 30-40 hectares is based solely upon the 20% response rate to the survey. Therefore this in turn could result in an under projection and not

representative of the entire business community. It also ignores demand from outside of the District and new business start-ups. Therefore at best, this figure should only be treated as a minimum baseline.

General

In addition to the various assessments of need, the Council's Economic Development Team, who are in constant discussion with those who are seeking to develop existing premises and bring forward additional employment land across the District, provide valuable qualitative information on the need for employment land across the District. The team hold a database of enquiries from developers and businesses seeking land and premises. This is used further in Stage 3 of the ELR, and can demonstrate what the market demand is, and whether it is being successfully met, see Appendix 2. This provides additional evidence that developers and businesses are seeking to develop sites across South Somerset, and supports the evidence that there is a District-wide demand for sites.

Loss of Employment Land

Employment land can be vulnerable and under pressure for redevelopment from other uses such as housing and retailing. Over time increasing quantities of employment land has been lost in the District, from July 1991 to 31st March 2008, 42.50 hectares of employment land has been lost to other uses, which equates to a loss on average of 2.5hectares of employment land a year, see figure 3.9. If this figure is projected over the remaining 18yrs of the draft RSS period, it generates a loss of approximately 45 hectares of land.

Figure 3.9: Lost Employment Land

Area	Total Employment Land Lost 1991-2008	Average Land Lost per annum
East	10.97	0.65
North	2.41	0.14
South	18.95	1.11
West	10.17	0.60
Total	42.50	2.5

Additionally, the figures can be broken down to Yeovil SSCT and the Rest-of-the-District level, when this is done and projected forward over the draft RSS period, 14.4 hectares of land will be lost from Yeovil SSCT and 30.6 hectares from the Rest-of-the-District.

The loss of employment land should be taken into account when projecting the need for future employment land allocations, as it has implications for the supply of employment land. Therefore any assessment will need to be increased by an amount to offset loss, which for this purpose is taken for the 20-year period as 50 hectares.

Figure 3.10: Summary of the Range of Employment Land Need

Throughout this study it has been demonstrated that the calculation for employment land is not an exact science, and that different approaches, generate different figures, as can be seen below:

Data Source:	Approach to Estimating Employment Land Requirement:	Employment Land Required to 2026 (hectares):	Comments:
Assessment 1: Draft RSS - clarifying employment land need	Based on a rough calculation 43ha/9,100jobs x number of jobs = employment land in hectares.	Total - 51 ha. <ul style="list-style-type: none"> • 27 ha for Yeovil SSCT • 24 ha for the Rest-of-the-District 	Given the errors identified in relation to the draft RSS figure only limited credibility can be given to the 51 hectares, as it is clearly based on the original, incorrect draft RSS figure.
Assessment 2: Standard Industrial Classification - translating jobs into land	This approach sees each Standard Industrial Classification sector, matched to a B Use Class, and then a standard employment density ratio is applied which generates a floorspace and then land requirement.	Total Range between 32 and 59 hectares for the District.	There are many caveats to this approach, and so the figure of 59 hectares should be treated with caution and should be subject to regular monitoring.
Assessment 3: District Council Monitoring of Completion Rates	The average completion rate for employment development is projected over the 20yr RSS period. To avoid double counting, completions from 1 st April 2006 to 31 st March 2008 are subtracted from the projected gross figures.	Total net requirement for 54.5 ha, comprising: <ul style="list-style-type: none"> • 21 ha for Yeovil SSCT • 33.5 ha for Rest-of-the-District 	<u>Calculations for information:</u> Yeovil SSCT: Total completions =20.06 ha (1.18 ha pa). Completions 01/04/06 to 31/03/08 = 2.35ha Rest-of-the-District: Total District completions (59.93) – Yeovil SSCT = 39.87ha (2.34 ha pa). Completions 01/04/06 to 31/03/08 = Total District completions (15.63) – Yeovil SSCT (2.35) = 13.28ha
Assessment 4: Business Perspectives on Property Workspace Survey and Review (March 2008)	A minimum need for employment land across the District over the next 2-5 years, to meet identified latent demand from local businesses, is factored up by 4 to give a projection over the 20yr RSS period.	Total range between 30 to 40 ha, comprising between: <ul style="list-style-type: none"> • 9 to 12.5 ha in Yeovil SSCT • 21 to 27.5 in the Rest-of-the-District 	The report does not indicate the total amount of workspace or employment land required for the District, and given the 20% response rate, is underestimation of need. The report includes retailing, construction and agriculture in its figures.

- Taking the top end figure for each range, the summaries indicate that there is a need for **up to 59 hectares of employment land across the District** over the period 2006-2026.
- Monitoring indicates that approximately 45 ha of land will be lost over the 20 year RSS period. To compensate for the continuing loss of existing employment land to other uses, there is a need to increase the employment land need by 45 ha, resulting in a need for **up to 104 hectares across** the District. This demonstrates that despite the planning policies that are in place to prevent the loss of employment land, there is increasing redevelopment pressure on sites, which is further generated by Central Government Guidance which is supportive of their loss to residential uses.
- Broken down to figures for Yeovil SSCT and the Rest-of-the-District, the summaries indicate that there is a need for:
 - Yeovil SSCT: up to 27 hectares of employment land
 - Rest-of-the-District: up to 33.5 hectares of employment land.
- Including losses indicates a need for:
 - Yeovil SSCT: up to 41 hectares of employment land
 - Rest-of-the-District: up to 64 hectares of employment land.
- It must be noted that if the highest figure for each assessment is taken for Yeovil SSCT and the Rest-of-the-District, which has been done to ensure there is sufficient land to encourage economic development in the District, these figures do not add up to the District-wide totals of 59 hectares and 104 hectares. This is because the four assessments used to establish the range of figures are not comparable, like for like figures, for example Assessment 4: Business Perspectives Report identifies a maximum demand for 12.5 hectares of land in Yeovil and 27.5 hectares for the Rest-of-the-District (40 hectares in total), whereas Assessment 1: Clarifying the draft RSS figure, identifies a need for 27 hectares in Yeovil and 24 hectares for the Rest-of-the-District (51 hectares in total), figures which vary greatly. This approach is taken as in accordance with National Guidance, ensuring that there is enough land across the District will ensure that a range of sites are available, which should encourage and support economic development in South Somerset.

4.0 CONCLUSIONS

Conclusions

Given the local conditions and previous demand, allocations in the LDF totalling 43 hectares will NOT be sufficient to meet demand for employment land in the District over the next 20 years, for the reasons set out below:

- The 43ha identified in the SWRDA report, is for Yeovil only, and this figure appears to have been carried forward into the draft RSS, but as a figure for the entire District, as opposed to for Yeovil.
- Additional land will be required in the smaller Towns and Rural Centres to provide for the 1,600 job difference between the HMA (10,700 jobs) and the Yeovil TTWA (9,100 jobs). This will also allow for more organic growth, which is recommended in the draft RSS.
- Additional land is required to cater for the projected growth in jobs (see Figure 3.1) to 2026.
- Further land is required in Yeovil SSCT for office space and to allow for the spin off from the aircraft engineering industry, which is still set to grow, despite the economic recession.
- An allowance of land should be made to compensate for the continuing loss of existing stock lost through dilapidation and change of use.
- Past trends of employment land completions over the Local Plan period indicate that in the future, employment land requirements will be in excess of the draft RSS requirement.

This report concludes that there is a need for up to 104 hectares of employment land in South Somerset to 2026.

On the 1st April 2008, there was a supply of 126 hectares of land across the District, however, as outlined in Stage 1 of the South Somerset ELR, there are supply issues with some of the residual allocations. Stage 3 will need to address issues surrounding the supply and demand for employment land, looking at whether residual allocations are available and if they will come forward, and whether the supply is in the right location to meet demand. Before this exercise is undertaken it is difficult to assign land to a particular location, additionally such a process would need consideration of the Settlement Role and Function study undertaken recently by Baker Associates on behalf of the District Council. Having said this, it is clear that at least an additional 7.5ha of land, will need to be identified and allocated in the smaller Towns and Rural Centres to provide for the 1,600 job difference between the HMA (10,700 jobs) and Yeovil TTWA (9,100 jobs).

APPENDIX 1

POLICY HMA13 OF THE DRAFT RSS

Draft Regional Spatial Strategy for the South West

Policy HMA13 - South Somerset Housing Market Area

IN THE SOUTH SOMERSET HMA PROVISION WILL BE MADE FOR:

- GROWTH OF ABOUT 10,700 JOBS
- GROWTH OF AT LEAST 19,700 HOMES, DISTRIBUTED BETWEEN THE LOCAL AUTHORITIES AS:
 - SOUTH SOMERSET 19,700

YEOVIL WILL REALISE ITS ECONOMIC POTENTIAL AND ENHANCE ITS ROLE AS AN EMPLOYMENT, HOUSING, EDUCATIONAL AND CULTURAL CENTRE BY PROVIDING FOR:

- DIVERSIFICATION OF THE TOWN'S ECONOMY
- A BROADENING OF THE RANGE OF RETAIL AND LEISURE FACILITIES IN THE TOWN CENTRE

PROVISION FOR SUSTAINABLE HOUSING GROWTH WILL COMPRISE:

- 6,400 NEW HOMES WITHIN THE EXISTING URBAN AREA OF YEOVIL (SOUTH SOMERSET)
- 5,000 NEW HOMES AT AREA OF SEARCH 13A AT YEOVIL (SOUTH SOMERSET AND WEST DORSET)

PLANNING FOR EMPLOYMENT WILL PROVIDE FOR AROUND 9,100 JOBS IN THE YEOVIL TTWA INCLUDING THE PROVISION OF AROUND 43 HA OF EMPLOYMENT LAND.

APPENDIX 2

LIST OF ENQUIRIES TO COUNCIL'S ECONOMIC DEVELOPMENT TEAM FOR EMPLOYMENT LAND

Copy of Email from Gerard Tucker (SSDC) to Kelly Sykes (then AtisReal) on 14th October 2008, regarding employment land enquiries

I have been in discussion with various developers in recent months who are trying to bring forward additional employment land:

Langport - Westover Trading Estate, the owner is looking to extend the existing premises by approximately a third, also adding a separate 7,000 sq feet of commercial B1 premises. In total, this addition will be approximately 12 - 15,000 sq ft. Langport is generally short of employment land and relies on most people living in the area commuting away to seek work.

Somerton - The owner of Bancombe Road Trading Estate is looking to develop land at a former storage site known as Badgers Cross.

Wincanton - The Workspace Demand Study initiated some thoughts on the provision of starter units. Whilst no specific land was identified, there is an acceptance that currently there is a shortage of units in Wincanton.

Bruton - Locally, there is a recognition that there are insufficient premises to start a business. The former West End Garage is likely to change to small units. The former Hewden Hire depot off Station Road may be lost to car parking, which would result in the loss of employment land. Whilst the Workspace Demand Study did not show additional need, locally, it is recognised that the town is short of smaller units/premises.

Chard - This location is struggling with development land at present. There have been a number of schemes brought forward in recent years, which has resulted in the loss of employment land. The key site appears to be some way off. There has been interest in most of the remaining plots on the Chard Business Park. There is a requirement to try and relocate the business known as ACI within the town in the next few years. As of now, there are seemingly no suitable sites available to ACI who require approximately 2 acres. There have been prospective developer enquiries to develop more land in Chard to accommodate perceived demand.

Yeovil - There are currently plans to develop three additional areas - Buncombe Lane, Sea Fire and Lufton 2000 (phases 3 - 5). The addition of thousands of new homes will require additional employment land in as yet unspecified locations.

Ilminster - The development of the former Horlicks site has been long awaited, together with the Canal Way development, and the imminent decision on the application for development of employment land in Ilminster shows a clear developer view that there is perceived demand. Additional areas which could be brought forward includes the Powmatic site off Winterhay Lane (which I understand is being demolished).

Crewkerne - Employment provision at this location is tied up with a major housing scheme, which has as yet not been brought forward.

I am presuming this is what Jo wanted me to share with you. Priorities would be Chard, Yeovil, Ilminster, in that order.

Regards
Gerard

APPENDIX 3

LOCATION OF OFFICE DEVELOPMENT 2005/06 TO 2008/09

Location of Office Development 2005/06 to 2008/09

Area	Reference	Use Class	Address	Town Centre/Business Park/Other	Floor Space (m2)	Percentage of total
N	106E/1F	B1a	Bancombe Road, Somerton	Business Park	620	
E	138/6	B1c	Wincanton Business Park	Business Park	400	
W	410/1D	B1c	Industrial Estate, Canal Way, Ilminster	Business Park	570	
N	106E/1J	B1c	Bancombe Road Trading Estate, Somerton	Business Park	154	
N	106E/1K	B1c	Bancombe Road Trading Estate, Somerton	Business Park	104	
N	106E/1L	B1c	Bancombe Road Trading Estate, Somerton	Business Park	468	
N	106E/1M	B1c	Bancombe Road Trading Estate, Somerton	Business Park	90	
N	106E/1N	B1c	Bancombe Road Trading Estate, Somerton	Business Park	139	
E	138/5	B1c	Bennetts Field Trading Estate, Wincanton	Business Park	63	
E	138/7	B1c	Bennetts Field Trading Estate, Wincanton	Business Park	71	
E	159/3D	B1c	Wincanton Business Park	Business Park	926	
S	401/5	B1a	Lynx Trading Estate, Yeovil	Business Park	38	
N	N/a	B1a	Bancombe Road, Somerton	Business Park	159	
N	N/a	B1c	Great Western Road, Martock Trading Estate	Business Park	104	
W	498W/5	B1c	Cropmeand Industrial Estate, Crewkerne	Business Park	124	
Total Business Park Completions:					4030	44%
S	Y34/9	B1	Silver Street, Yeovil	Town Centre	N/a	
Total Town Centre Completions:					0	0%
S	Y42/1	B1/B8	Former Seatons Garage, West Henford, Yeovil	Other	380	
E	350/4	B1c	North Street, Milborne Port	Other	199	
W	391/1	B1c	Horton Cross Farm, Horton	Other	20	
N	165/21	B1a	Great Bow Yard, Langport	Other	389	
E	244/1	B1c	Batchpool Lane, Horsington	Other	139	

E	137/1	B1a	Suddon Grange Farm, West Hill Wincanton	Other	128	
E	41/1	B1c	Godminster Lane, Bruton	Other	504	
W	482/14	B1c	Brewery Buildings, Crewkerne	Other	437	
W	482/13	B1c	Haselbury Garage, Haselbury Plucknett	Other	1092	
S	385/79	B1c	Victoria Road, Yeovil	Other	285	
N	N/a	B1a	Church Street, Isle Abbots	Other	36	
N	N/a	B1a	Branston Potatoes, Seavington	Other	85	
S	383/6D	B1a	Bluebell Road, Houndstone Corner	Other	1349	
E	N/a	B1a	Clear Spring Fram, Stoke Trister	Other	42	
W	N/a	B1c	Babwell Farm, Cucklington	Other	28	
Total Other Completions:					5113	56%
Total Completions:					9143	100%

44% of office development has taken place on business parks and 56% elsewhere. Nothing has been developed on Town Centre sites according to the District Council's monitoring 2005/06 to 2008/09.