

South Somerset District Council: Local Plan 2006 - 2028

Independent Examination, May 2013

South Somerset District Council Hearing Statement Issue 3 Supplementary Statement Requested by Inspector

Economic Prosperity and Employment Provision: Policy SS3: Delivering New Employment Land; Justification for Additional Employment Land

1. Introduction

- 1.1 During the Examination Hearing Session on Issue 3, the Local Plan Inspector raised concerns over the Council's justification in identifying employment land provision in Proposed Submission South Somerset Local Plan Policy SS3 as modified by the Council's Proposed Modifications M34 and M197. It was agreed that the Council would review their position and the evidence supporting the distribution of jobs amongst the settlements and the employment land provision identified in Policy SS3. The Council agreed to submit this information and any subsequent modifications to the Inspector by Tuesday 4th June 2013.

Key Objections

The key objections in relation to Policy SS3 are as follows:

1. The overall jobs provision is not justified.
2. The distribution of jobs is not justified.
3. The scale of additional employment land provision is unjustified.

2. Justification for the overall jobs provision contained in Policy SS3

Housing Requirement for South Somerset and Yeovil – The Baker Report

- 2.1 The Baker Report "Housing Requirement for South Somerset and Yeovil" [PSSSLP CD 30] is the key document used by the Council to establish the jobs growth over the plan period (2006-2028). The report outlines the methodology used by the consultants to identify a housing requirement, namely integrating three different approaches to derive a range of figures. The three approaches are:
1. A demographic projection based approach – identifying the numerical consequences of accepting the likely trends in birth and death rates and particularly in net migration levels, and applying trends in household formation to these.
 2. A purpose based approach – looking at the reasons for making provision for housing in relation to economic development, access to housing, and the maintenance of communities, and
 3. A delivery based approach – looking at the capacity of the area to provide housing in environmental terms, from a housing market delivery perspective and in terms of the potential to bring empty homes back into use.
- 2.2 Economic changes are a key driver affecting housing demand and the consultants established in chapter 4 of their report the possible housing provision related to the possible economic potential of the District.
- 2.3 To establish the economic potential of the District, the consultants constructed economic scenarios based on reasonable assumptions about how identified trends might relate to South Somerset and its potential jobs growth. The trends were

identified following a series of consultations with the District's main employers and an analysis of the long term sectoral employment trends at UK and regional level. The information was used to construct two economic scenarios, the first a positive, private sector led recovery with growth in construction, hospitality, telecommunications, business services and manufacturing. The second scenario is a slower, faltering recovery with similar growth areas to the positive scenario but with less job creation.

- 2.4 The consultants projected the change (in jobs) for each sector of the District's economy between 2006 and 2026, to establish the overall change in the number of employees in employment district wide 2006-2026 [PSSSLP CD 30, page 17].
- 2.5 The consultants made an assumption that the number of self-employed persons in 2026 would be the same proportion of employees in employment as at 2010, namely 11.4%.
- 2.6 The consultants added the number of employees in employment to the number of self-employed persons to identify the total employed in South Somerset [PSSSLP CD 30, page 18]. *Please note the consultants used recorded Annual Business Inquiry (ABI) employee data and Annual Population Survey (APS) self-employed data for 2006 as the baseline to establish the total number of persons employed in the District, and projected forward from this point. Page 18 of the consultant's report incorrectly references ABI as APS - see email attached at Appendix 1 from John Baker confirming the incorrect reference.*
- 2.7 The two scenarios projected in the Baker Report identified a net gain of between **7,200** jobs (slower, faltering scenario) and **11,200** jobs (positive, private sector led scenario).

Update to Housing Requirement for South Somerset and Yeovil – The Baker Report

- 2.8 The Baker Report covered the period 2006 to 2026. Project Management Board (PMB) workshop 1 paper "Extension of Population, Household and Employment Projections 2026 - 2028" (26 May 2011) [PSSSLP CD 115] identified that an extension to the original report was required and presented the consultants revised figures.
- 2.9 In terms of rolling forward the economic projections to 2027 and 2028, the consultants took a pragmatic view and based the projections on the economic growth periods 2016 - 2021 and 2021 - 2026 and rolled forward an average annual rate based on those 10 years. This was done for both scenarios.
- 2.10 The revised scenarios projected a net gain of between **8,060** jobs (slower, faltering scenario) and **12,500** jobs (positive, private sector led scenario).

South Somerset District Council Updates

- 2.11 The Council has updated the Baker Report on a number of occasions and this has been fully explained in the Employment Topic Paper [PSSSLP CD 11]. PSSSLP Policy SS3 as modified by M34 and M197 identifies that the Local Plan will assist in the delivery of **11,250** jobs as a minimum. This figure differs from the positive, private sector led scenario figure of 12,500 jobs (as identified in the updated Baker Report) as the Council made the following revisions:
 1. **Revised baseline** – the updated Baker Report made a projection as to the number of employees in employment in 2010 and to this added their projected net

gain in jobs to 2028 to establish the total number of persons employed in the District [PSSSLP CD 30, page 18].

Since publication of the Baker report there have been a number of new data releases from BRES and therefore the Council have updated the 2010 Baker projected BRES figure with the recorded BRES employee figure:

Baker projected employees in employment 2010	68,200
Recorded 2010 BRES data	65,000 = 64,000 BRES employees + 1,000 agricultural employees

Please note: when updating the BRES employee figure, the Council also made an adjustment to make an allowance for agricultural employees (see PMB workshop 9 paper “Review of Housing Growth Projections for South Somerset and consideration of Implications for Housing Requirement and Supply to 2028” [PSSSLP CD 116].

The Council also took into account the recorded 2011 BRES employee figure, see PMB workshop 19 paper “Housing Provision Review” (26 October 2012) [PSSSLP CD 117, Appendix 3] amended by Workshop 20 “addendum to Workshop 19 Paper on Housing Provision Review” (16th November 2012) [PSSSLP CD 117].

Recorded 2011 BRES data	66,600 = 65,600 BRES employees + 1,000 agricultural employees
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These revisions resulted in an amendment to the jobs growth identified in Policy SS3 because rather than there being a net gain in jobs between 2006 and 2010 as identified in the Baker report (they predicted a net gain of a 1,000 jobs) there was actually a net loss in jobs. See Appendices 2 and 3 for detailed calculations.

The revised scenarios projected a net gain of between **9,100** jobs (slower, faltering scenario) and **13,400** jobs (positive, private sector led scenario). *Please note the revised calculations also included a revised self-employed assumption and double jobber allowance which is explained below.*

The approach taken to revising the data has been objected to, particularly by Cllr Fysh and Mr Hartley and it is considered that the Council’s critique of their objections fully rebuts their arguments.

- 2. Revised self-employed data** - the consultants made an assumption that the number of self-employed persons in 2028 would be the same proportion of employees in employment as at 2010, namely 11.4%. *Please note the consultants used recorded Annual Business Inquiry (ABI) employee data and Annual Population Survey (APS) self-employed data to establish the percentage.*

In considering an objection to the PSSSLP from Hardisty Jones, an analysis of the number of self-employed persons as a proportion of employees in employment in the District was undertaken [see PSSSLP CD 117 – PMB workshop 19 paper “Housing Provision Review” 26 October 2012] amended by Workshop 20 “addendum to Workshop 19 Paper on Housing Provision Review” (16th November 2012) [PSSSLP CD 117]. The review which analysed APS self-employed and BRES employee data (*BRES replaced ABI in 2009*) identified that the percentage used by the consultants was an underestimation and 15.21% was used to identify the jobs growth in PSSSLP Policy SS3 as modified.

3. **Allowance for double-jobbers** - double jobbers are people with more than one job. An allowance was made for double jobbers as they only require one home. PMB workshop 19 paper “Housing Provision Review” (26 October 2012) [PSSSLP CD 117, Appendix 3] identifies the evidence from the APS and national figures that led the Council to adopt a 5% allowance.
4. **Mid-point scenario** - PMB workshop 19 paper “Housing Provision Review” (26 October 2012) [PSSSLP CD 117, Appendix 3] amended by Workshop 20 “addendum to Workshop 19 Paper on Housing Provision Review” (16th November 2012) [PSSSLP CD 117] explains that to reflect the depth and breadth of the recession the Council adopted a mid-point scenario between the positive, private sector led scenario (13,400 jobs) and slower, faltering scenario identified (9,100 jobs). The figure of **11,250** jobs as a minimum target is identified in PSSSLP Policy SS3 as modified. This figure is considered to be robust and fully justified.

2.12 It is considered that the overall job growth figure in Policy SS3 is robust and well evidenced.

2.13 In addition to the identification of the overall jobs growth over the plan period, the Council has identified the amount of jobs in both business uses i.e. B uses and non-business uses i.e. non B uses. 61% of the District’s projected jobs growth is anticipated to be in B use jobs that are identified in the Government’s published Use Classes Order. This figure is based on the projected growth by sector identified in Table 4.4 of the Baker Report “Housing Requirement for South Somerset and Yeovil” [PSSSLP CD 30- page 17] and presented in the Employment Topic Paper [PSSSLP CD 11 - page 26].

3. **Justification for the distribution of jobs in Policy SS3**

3.1 The distribution of jobs across the district has been criticised by objectors in particular by Cllr Fysh and Mr Hartley and it is considered that the Council’s critique of their objections fully rebuts their arguments and fully justifies the Council’s approach to targeting 49% of jobs to Yeovil and 51% elsewhere in the district and therefore this is not repeated here.

3.2 Mr Smith on behalf of Mrs Sienkiewicz criticises the distribution of jobs and land to the Rural Centres and Rural Settlements. Whilst the distribution of jobs to the Market Towns, Rural Centres and Rural Settlements is explained in the Employment Topic Paper [PSSSLP CD 11] as a result of the concerns expressed by objectors during the hearing session into issue 3, the methodology and approach supporting the jobs figures by settlement as identified in PSSSLP Policy SS3 as modified is restated below.

3.3 The provision of land is considered under section 4 which follows.

- 3.4 The starting point for distributing the jobs was to use the past economic performance of settlements, as identified initially through the ABI employee data for 2006, which was used in the Settlement Role and Function Study [CD 34]). This distribution has been corroborated by further work looking at the distribution of employment in the early years of the Local Plan period (see Appendix 4.
- 3.5 The analysis of this data illustrated that jobs growth in the Rural Settlements had been greater than in Market Towns (see Appendix 4 which presents a review of ABI/BRES data which was presented orally to PMB at workshop 9 as evidenced in the notes of the meeting [PSSSLP CD 117]). It is considered that the growth in the Rural Settlements has been at the expense of growth in the Market Towns as the land available in Rural Settlements is cheaper, requiring less investment to bring forward. Therefore given that the policy approach in the emerging PSSSLP is to focus more growth on the higher order settlements and seek to bring forward and develop the Strategic Employment Sites in the Market Towns, an adjustment has been made to the past economic performance related jobs growth for the Market Towns and Rural Settlements to take into account the policy approach going forward.
- 3.6 A calculation was undertaken to adjust the jobs growth projection for Market Towns and Rural Settlements and this is outlined in pages 11-12 of the Employment Topic Paper [PSSSLP CD 11]. The figures for Yeovil and the Rural Centres remained unchanged.
- 3.7 The adjusted figures take into account the fact that in the past, growth in the Rural Settlements has been higher than is anticipated in the future as the approach taken in the past was more relaxed and the Local Plan seeks to restrict large-scale growth in the Rural Settlements.
- 3.8 The adjusted figures also take into account the potential for Strategic Employment Sites to come forward in the Market Towns. This potential coupled with the less permissive settlement strategy for the Rural Settlements will result in a proportionate shift in employment provision in the future in favour of Market Towns over Rural Settlements.
- 3.9 Please note the analysis was based on employee figures only and did not include an analysis of the distribution of self-employed persons or agricultural workers. The Council has made the assumption in the absence of any reasonable evidence to the contrary that given the high level of jobs in Yeovil compared to the rest of the District that a similar level of self-employed people would commute into Yeovil to work (as contractors etc.). Agricultural workers account for 1,000 jobs which is roughly 1.3% of the total workforce (of 76,200 jobs) in 2011. The Baker report identifies that over the plan period jobs in agriculture will decline (CD 30 page 17). Given that the sector will not be experiencing further jobs growth and there is no requirement to provide additional housing for that sector. The distribution of agricultural workers is assumed to reflect the general distribution of jobs within the district and is in any event a small proportion of the total number of jobs.
- 3.10 It is considered that the distribution of jobs growth by settlement in Policy SS3 is robust and well evidenced.

4. Justification for employment land provision in Policy SS3

- 4.1 The Employment Land Review [PSSSLP CD 50] was the starting point for determining the Local Plan's employment land provision, this however was very much focussed on the amount of land required for the economically active population

arising from housing growth. The development of the Council's evidence base with the economic forecasts within the Baker report "Housing Requirement for South Somerset and Yeovil" [PSSSLP CD 30] enabled the Council to adopt a jobs led approach to determining employment land provision for the PSSSLP and this is set out in detail in the Employment Topic Paper [PSSSLP CD 11]. The reasons for changing the provision are set out in the Topic Paper in paragraphs 4.10 – 4.14 are re-iterated and expanded upon here.

- 4.2 **“Revising Policy SS5: Delivering New Employment Land, Catering for non-B Uses and the Distribution of Homes/Jobs”** was presented to PMB at Workshop 2 on the 7 June 2011. The paper explains in detail the methodology for establishing employment land requirements (in hectares) for each settlement [PSSSLP CD 115]. The methodology for translating jobs into land requirements is the same approach used in the ELR and Appendix 7 of the report [PSSSLP CD 115] revises the ELR figures and explains why.
- 4.3 The assumptions used at that time were:
- 12,510 new jobs 2006-2028
 - 50% to Yeovil, 50% Rest of District
 - 66% of new jobs in B Use Class activities (78% B1, 11% B2 and 11% B8)
 - English Partnerships Density (2001) floorspace to worker ratios
- 4.4 All these assumptions have subsequently been revised through the Local Plan process as detailed in the Employment Topic paper [PSSSLP CD11] and are represented below:
- 11,250 new jobs 2006-2028
 - 49% to Yeovil, 51% Rest of the District
 - 61% of new jobs in B Use Class activities
 - Employment Densities Guide (2010) floorspace to worker ratios and the final provision in the Proposed Submission South Somerset Local Plan reflects the amended assumptions.
- 4.5 The key reasoning behind the employment provision and in particular the additional employment provision is summarised below:
- 4.6 Yeovil Town - the ELR identified sufficient employment land to cater for the jobs growth in Yeovil over the Plan period. A qualitative need for 5 hectares of land is however identified based on the previous Local Plan Inspector's report [PSSSLP CD 149] in which he recommended at least an additional 10 hectares of general employment land be provided in Yeovil. These 10 hectares were never allocated, and therefore to reflect the strategic significance of Yeovil and the need to provide a choice and range of sites, whilst recognising the current economic climate, it is considered that an additional 5 hectares of employment land should be provided and as a result 5 ha of additional employment land provision is set out in PSSSLP Policy SS3. This is specifically to provide a choice of sites as there is clear evidence that there is sufficient employment land to accommodate the requirement for B use classes employment uses, as set out in the Employment Topic Paper [PSSSLP Appendix 4 CD 11].
- 4.7 Yeovil Sustainable Urban Extension - following Eco Town principles, and affirmed by the paragraph ET10.1 in Planning Policy Statement Eco Towns and Supplement to Planning Policy Statement 1, the aim is to provide approximately one job per household (based on evidence that 50% of the population are economically active and 2.1 persons per dwelling) so that people have the opportunity to live and work in

close proximity. The need for this land is location specific, as it needs to be delivered as part of the SUE and is therefore required in addition to existing employment land supply in Yeovil. The land is based on a quantitative need - translating jobs to land. The 5 ha provision identified in PSSSLP Policy SS3 is the outcome with a further 3 ha identified for post 2028.

- 4.8 Chard, Crewkerne and Ilminster - all have sites carried forward from the South Somerset Local Plan 1991-2011 with sufficient capacity, and therefore there is no need for additional employment land as demonstrated by Appendix 4 of the Employment Topic paper [PSSSLP CD11]. The Crewkerne and Ilminster provision is identified in the existing commitments section of PSSSLP Policy SS3 as it is almost all consented or consented subject to signing of section 106 agreement (with a further proportionately small provision for Ilminster identified as a carried forward allocation).
- 4.9 The Chard provision of 17.14 ha is now considered to be more appropriately split between 'Existing Employment Land Commitments' (4.13 ha) and 'Additional Employment Land Provision Required' (13 ha) proposed in the plan period within the Chard strategic allocation (and a further 6 ha proposed post plan period). The 13 ha should be identified as additional employment land provision by virtue of its restatement in the strategic allocation within the Local Plan 2006 – 2028. The 13 ha provision is a carry forward of that identified in the current Saved Local Plan proposals. The Chard Regeneration Framework affirms the 13 ha provision with a 13.3ha provision identified in the Framework Implementation Plan, Appendix 4 [PSSSLP CD110] spread out over the 4 main phases of development. This demonstrates the continuing provision of employment sites over time and across the geographic spread of the allocation.
- 4.10 The additional 6 ha post plan provision has been derived by assessing the amount of land required for the economically active population arising from housing growth post plan period. This was articulated in PMB Workshop 12 (27th January 2012) paper "Chard Delivery Report and its implications". This figure has been reworked in Appendix 5 to reflect the appropriate up to date assumptions and a provision of 3.32 ha emerges from this reworking for Chard for the post Plan period.
- 4.11 Wincanton - the ELR identified sufficient land, but local concern over a lack of a balance between jobs and homes has led to the identification of an additional 5 hectares of employment land. This local support for more employment and the potential for further employment generation for a town that sits along the A303 was considered to be sufficient justification for a 5 ha site. The justification for the scale of the site was from discussions with economic Development colleagues. The basis for the site size was professional judgement with no firm evidential basis beyond that.
- 4.12 Somerton, Ansford & Castle Cary and Langport & Huish Episcopi – the ELR identified no quantitative need for employment land and nor does the reworked assessment set out in the Employment Topic Paper Appendix 4 [PSSSLP CD11]. The Appendix 4 assessment and the earlier ELR assessment fail to make clear however that the existing land commitments have been effectively taken up already leaving no or very little further identified employment land in these settlements. The need for a supply for the rest of the plan period and local concern over need for employment land has resulted in 3 hectares being identified for each settlement. This is based on a minimum site size considered viable to promote the development of an employment area(s) in a settlement of this size derived from discussions with colleagues from economic development with no firm evidential basis beyond that.

- 4.13 Rural Centres - the ELR identified no quantitative need for employment land and nor does the reworked assessment set out in the Employment Topic Paper Appendix 4 [PSSSLP CD11]. The Appendix 4 assessment and the earlier ELR assessment fail to make clear however that the existing land commitments have been effectively taken up already leaving no or very little further identified employment land in these settlements. The need for a supply for the rest of the plan period and local concern over need for employment land has resulted in 2 hectares being identified for each settlement. This is based on a minimum site size considered viable to promote the development of an employment area(s) in a settlement of this size derived from discussions with colleagues from economic development with no firm evidential basis beyond that.
- 4.14 Rural Settlements - the land is based on a quantitative need - translating jobs to land. The large number of Rural Settlements and the nature of Policy SS2 promoting economic development in a less directly planned manner lead to a provision for these settlements that is justified on individual basis. The 4 ha provision in PSSSLP Policy SS3 reflects the likely amount of additional land required to deliver the identified number of jobs.
- 4.15 The approach is consistent through the evolution of Policy SS3 and into the PSSSLP, although obviously the figures will have changed for the settlements where there is a direct link between jobs and land, namely the Yeovil SUE and the Rural Settlements.
- 4.16 Whilst some strategic employment sites and in particular Bunford Lane, Yeovil, Chard, Ilminster and Crewkerne have a potential with their eventual construction to accommodate all the employment growth expected for the District to 2028 it is not considered appropriate to apply a strategic employment site strategy for employment provision. The settlement strategy is seeking local self-contained settlements and consequently there is a local job target in policy SS3 that requires local employment provision to enable. The settlement strategy is seeking Market Towns to provide locally significant development with an existing concentration of business and employment with potential for expansion and growth that should increase the self-containment of these settlements. For Rural Centres the settlement strategy is seeking to support economic activity that is appropriate to the scale of the settlement.
- 4.17 The preceding paragraphs clarify the Council's position going into the hearing session into Issue 3. Section 6 reviews this in light of the concerns raised by the Inspector regarding the evidential basis of the employment land figures cited in PSSSLP Policy SS3.

5. The Council's application of NPPF's Definition of Economic Development

- 5.1 Concerns were raised at the hearing that the identification of land for B uses is not in accordance with the NPPF definition of economic development
- 5.2 Annex 2 to the NPPF defines economic development as "Development, including those within B use classes, public and community uses and main town centre uses (but excluding housing development)".
- 5.3 Main town centre uses are defined as "Retail development (including warehouse clubs and factory outlet centres), leisure, entertainment facilities, the more intensive sports and recreation uses (including cinemas, restaurants, drive-through restaurants, bars and pubs, nightclubs casinos, health and fitness centres, indoor bowling centres, and bingo halls); offices; arts, culture and tourism development

(including theatres, museums, galleries and concert halls, hotels and conference facilities).

- 5.4 The PMB paper “**Revising Policy SS5: Delivering New Employment Land, Catering for non-B Uses and the Distribution of Homes/Jobs**” explains how the District Council’s ELR only identifies the need for traditional employment land (catering for activities which fall into the ‘B use’ category of the General Permitted Development Order) and therefore excludes demand for uses such as retailing, hotels & catering, education, health and so on. It also explains that there are difficulties and likely inaccuracies in calculating the amount of land required for non-B uses and therefore no land is formally identified for this sector of the economy, instead, a need for such land is recognised and its location will be guided firstly to town centre locations by the Development Management process, using national and local planning policies.
- 5.5 On further consideration, it is considered appropriate that the job targets are still identified according to B uses and non B uses, as they inform decision making and support the Council’s intent to maintain B uses sectors of the economy for they are identified as growth areas going forward (in the Baker report as explained above), but in recognition of the NPPF definition of economic development the employment land commitments and additional land provision will need to incorporate the NPPF and will therefore be available for all economic development, including those within B use classes, public and community uses and main town centre uses (but excluding housing development).
- 5.6 The Council considers that the focus for main town centre uses will continue to be the Town Centre and this will be secured by the application of the relevant NPPF policy content (paras 23 – 27) and PSSSLP Policy EP11 that promotes the sequential approach to development for main town centre uses. Accepting the wider definition of economic development introduces flexibility for development where it is fully justified and evidenced by applicants.

6. Review of Council’s position on Additional Employment Provision and Implications

- 6.1 Following issues raised at Hearing Session into Issue 3, the Council has reviewed its position. The Council is content that the overall jobs target and distribution of jobs is robust and sufficiently evidenced but the review has implications for the employment land provision identified in PSSSLP Policy SS3. The implications of the review are considered to be as follows:
- The overall job growth figure and its distribution are considered to be appropriate and well evidenced.
 - The identification of job growth figures in B use and non B use is considered appropriate as a guide to development.
 - The provision for employment land will be implemented in the context of the NPPF definition of economic development. It will be appropriate for clarity and make specific reference to this in Policy SS3 and its supporting text - requiring a modification to the PSSSLP. The identification of a specific floorspace provision for B uses is inappropriate given the wider NPPF definition of economic development.

- The Additional Employment Land Provision identified for Yeovil and the Yeovil Sustainable Urban Extension remain appropriate.
 - The Additional Employment Land Provision identified for Chard should be amended to reflect the fact that most of it is in the new strategic allocation rather than as a commitment (by virtue of its being in the outgoing Local Plan). The additional provision for 6 ha post plan should be deleted in the light of the fact that the 13 ha provision is supported by the Chard Regeneration Framework and clearly accommodates the potential employment land requirement.
 - For the Market Towns of Wincanton, Somerton, Ansford/Castle Cary and Langport/Huish Episcopi it is considered prima facie to be the case that additional provision is needed in view of the absence of new employment sites going forward from now. It is accepted that the current provision of 5 ha for Wincanton and 3 ha for each of the other towns substantiated on professional judgement is not properly evidenced. It is proposed that Policy SS3 refers to subsequent work to be undertaken in the Site Allocations DPD identified in the Local Development Scheme [PSSSLP CD27] by way of update of the Employment Land Review entailing updated employment land provision, survey of local companies, interrogation of “Into Somerset” records (Somerset inward investment agency) and review of employment site economics to establish an evidenced site allocation for each of these town.
 - For the Market Towns of Crewkerne and Ilminster no change as the employment land identified is already committed.
 - For the Rural Centres of Bruton, Ilchester, Martock/Bower Hinton, Milborne Port, South Petherton and Stoke sub Hamdon it is considered prima facie to be the case that additional provision is needed in view of the absence of new employment sites going forward from now. . It is accepted that the current provision of 2 ha for each is substantiated on professional judgement and is not properly evidenced. It is proposed that the Policy refers to subsequent work to be undertaken in the Site Allocations DPD identified in the Local Development Scheme (CD27) by way of update of the Employment Land Review entailing survey of local companies, interrogation of “Into Somerset” records (Somerset inward investment agency) and review of employment site economics to establish an evidenced site allocation for each of these towns. Reference to this will be needed in both the policy and in supporting text to the policy.
 - The identification of 1.8 hectares of committed employment land in South Petherton (namely Lopen Head nursery site) be retained as it reflects the Council’s historical approach to the allocation of that site - which was to serve a wider area including South Petherton, but any additional land identified for South Petherton will be delivered through the proposed site Allocations DPD.
 - The Additional Employment Land Provision identified for Rural Settlements provision remains the same at 4ha as it reflects the likely amount of additional land required to deliver the identified number of jobs and the responsive nature of relevant Policy SS2.
- 6.2 The revised Policy SS3 is presented below, the relevant modifications to the supporting text will be presented in PSSSLP CD 3c.

Policy SS3: Delivering New Employment Land

The Local Plan will assist the delivery of 11,250 jobs as a minimum and approximately 133.35 hectares of land for economic development between 2006 and 2028.

The identification of B Use jobs and non B Use jobs for settlements establishes targets for growth in line with the Council's forecast growth for the District and its settlements over the plan period.

Economic development of a main town centre type will be expected to comply with Policy EP11

Settlement	Local Plan 2006-2028 Total Employment Land Requirement	Existing Employment Land Commitments (as at April 2011)	Additional Employment Land Provision Required (total employment land less existing commitments)	Total Jobs to be encouraged 2006-2028	B Use Jobs
Strategic Town					
Yeovil Town*	44.84	39.84	5.0	3,948	2,408
Yeovil Sustainable Urban Extension	5.0	0.0	5.0	1,565	955
Market Towns					
Chard	17.14	4.14	13.0	1,083	661
Crewkerne*	10.10	10.10		577	352
Ilminster*	23.05	23.05		419	256
Wincanton	Additional Employment land requirement to be identified in Allocations DPD	3.61	Additional Employment land requirement to be identified in Allocations DPD	599	366
Somerton		1.91		307	187
Ansford/Castle Cary		10.19		273	167
Langport/Huish Episcopi		0.44		284	174
Rural Centres					
Bruton	Additional Employment land requirement to be identified in Allocations DPD	0.56	Additional Employment land requirement to be identified in Allocations DPD	1,013	618
Ilchester		0.02			
Martock/Bower Hinton		2.79			
Milborne Port		0.04			
South Petherton		1.80**			
Stoke Sub Hamdon		0.0			
Other					
Rural Settlements		7.86	4.0	1,181	720
Total	133.35	106.35	27.0	11,249	6,864

*Yeovil, Crewkerne and Ilminster have strategic employment sites which are saved from the previous South Somerset local plan and Chard's strategic allocation based around the Chard Regeneration plan also includes employment provision. These sites combined equate to a total of 46.35 ha and this figure has been included in the overall employment land figure cited in Policy SS3.

** This figure relates to Lopen Head

*** Yeovil will deliver additional employment land beyond the plan period of 3 ha in association with strategic growth.

Appendix 1

Email from John Baker to Andy Foyne (relevant sections highlighted)

Andy

The report was based on the latest data available for the purpose at the time and on existing employment the main source was ABI. This data source has now been superseded by BRES, which is a new statistical dataset which replaces ABI and specifically seeks to address the identification of self-employed people.

Our commission was to produce the report at the time and not to continually update it on the basis of new information. As you will appreciate new information comes out all the time and will continue to do so as you head to submission and examination. We have addressed comments and updated information so far, but this cannot go on indefinitely!

However, our observations on the BRES point include:

- Our original work was based on ABI data on numbers of employees, together with an assumption that the number of self-employed could be based on maintaining the 2010 proportion.
- ABI and BRES are two completely different datasets and are not directly comparable
- It is for the Council to decide whether they wish to use the latest available information, though that is clearly the expectation from PPS3
- If the council wish to use the BRES data for employment it should be noted that this includes both employees and self-employed, and therefore will not require an assumption for self-employment
- the assertion that because the baseline figure has reduced, the housing requirement will reduce, is not entirely correct. It is an important factor but more important is the job growth projection which grows by 11,200 jobs. This was undertaken at the time in the knowledge that the Country was in a recession and the economy would shrink, but then grow to 2026. It has taken a long term view of economic growth. To illustrate Table 4.6 illustrates that the economy would only grow by 2,900 between 2010-2016. It should be acknowledged that this reflects both decline then growth.
- The calculation was based on job growth and translated into economically active people and the private household population, it did not directly use a figure for the existing employed and as a consequence the calculations in 4.9 remain valid.
- If the most recent data illustrates that the starting point has reduced this will reduce the end point, but not the level of economic growth, e.g. the economy will still grow by 11,200 jobs. The related issue is the view on unemployment. This has increased, but it could logically be argued that as the economy recovers this will reduce again. The effect is economic growth without the need for housing, because the existing unemployed already live in dwellings in the District.
- However the assumption in the report was for a constant low level of unemployment i.e. an average, In reality it is likely to follow the economic curve, increase when the economy is in decline and reduce when it grows.
- the calculation inherently makes provision for the population as a whole and uses the proportion of economically active population. It is exceptionally difficult to identify the exact proportion of non-economically active migrants, and if separate provision were made for specific groups there would be the likelihood of double counting.

We are not making any changes to our report because it is as was so to speak. You will have to consider how to have household requirements evidence that is topical at the time you submit the plan and deal with the hearings

Regards

John

Appendix 2

Scenario 1 (private sector led growth and rebalancing towards manufacturing)

Revised base data, updated BRES data (including an allowance for agricultural employees 2008 onwards), using “Baker” growth projections post 2011

	Employees in Employment	Self Employed (15.21 %of employees in employment post 2011)	Total Employed (using 15.21% self-employed post 2011)
2006	64,800	10,200 (15.74%)	75,000
2010	65,000	7,600 (11.67%)	72,600
2011 ^{1.}	66,600	9,600 (14.41%)	76,200
2016	68,800 ^{2.}	10,500	79,300
2021	72,000 ^{2.}	11,000	83,000
2026	75,400 ^{2.}	11,500	86,900
2028	76,700 ^{2.}	11,700	88,400
15.21% self-employed = Jobs Growth 2006-2028 - 13,400			

Notes: Red denotes recorded data

1. Revised Basedate – 2011. BRES records 65,600 for 2011, and 1,000 allowance for agricultural workers has been added. The revised Basedate results in a 2,000 jobs difference between the Baker report jobs growth and the figures above, because Baker’s would result in 68,600 Employees in Employment in 2011 (68,200 predicted by Baker in 2010 + 433 additional jobs) but in reality, the recorded BRES figure was 66,600

2. Employees in Employment (2016, 2021, 2026 & 2028) - calculated using Baker’s scenario 1 projections (Table 4.6 of their report) minus BRES recorded data.

- 2016 = Baker growth projections between 2010 - 2016 annualised (433 jobs per annum) x 5yrs = (2,165 + 66,600 = 68,765 jobs in 2016)
- 2021 = Baker growth projections between 2016 - 2021 annualised (640 jobs per annum) x 5yrs = (3,200 + 68,765 = 71,965 jobs in 2021)
- 2026 = Baker growth projections 2021 - 2026 annualised (680 jobs per annum) x 5yrs = (3,400 + 71,965 = 75,365 jobs in 2026)
- 2028 = Baker growth projections 2021 - 2026 annualised (680 jobs per annum) x 2yrs = (1,360 + 75,365 = 76,725 jobs in 2028)

Unemployment in 2028 calculated as 3% of Total Employment.
(15.21%) = 2,652 (2,700), an increase of 400 from 2,300 in 2006.

Appendix 3

Scenario 2 (faltering recovery and more severe cuts in public sector employment)

Revised base data, revised self-employment figure, updated BRES data (including an allowance for agricultural employees 2008 onwards), using “Baker” growth projections post 2011

	Employees in Employment	Self Employed (15.21 %of employees in employment post 2011)	Total Employed (using 15.21% self-employed post 2011)
2006	64,800	10,200 (15.74%)	75,000
2010	65,000	7,600 (11.67%)	72,600
2011 ^{1.}	66,600	9,600 (14.41%)	76,200
2016	67,600 ^{2.}	10,300	77,900
2021	69,500 ^{2.}	10,600	80,100
2026	72,000 ^{2.}	11,000	83,000
2028	73,000 ^{2.}	11,100	84,100
15.21% self-employed = Jobs Growth 2006-2028 – 9,100			

Notes: Red denotes recorded data

1. Revised Basedate - 2011. BRES records 65,600 for 2011, and 1,000 allowance for agricultural workers has been added. The revised Basedate results in a 1,800 jobs difference between the Baker report jobs growth and the figures above, because Baker’s would result in 68,400 Employees in Employment in 2011 (68,200 predicted by Baker in 2010 + 200 additional jobs) but in reality, the recorded BRES figure was 66,600

2. Employees in Employment (2016, 2021, 2026 & 2028) - calculated using Baker’s scenario 2 projections (Table 4.7 of their report) minus BRES recorded data.

- 2016 = Baker growth projections between 2010 - 2016 annualised (200 jobs per annum) x 5yrs = (1,000 + 66,600 = 67,600 jobs in 2016)
- 2021 = Baker growth projections between 2016 - 2021 annualised (380 jobs per annum) x 5yrs = (1,900 + 67,600 = 69,500 jobs in 2021)
- 2026 = Baker growth projections 2021 - 2026 annualised (500 jobs per annum) x 5yrs = (2,500 + 69,500 = 72,000 jobs in 2026)
- 2028 = Baker growth projections 2021 - 2026 annualised (500 jobs per annum) x 2yrs = (1,000 + 72,000 = 73,000 jobs in 2028)

Unemployment in 2028 calculated as 3% of Total Employment.

(15.21%) = 2,523 (2,500), an increase of 200 from 2,300 in 2006.

Appendix 4 Analysis of Distribution of Jobs (presented orally to PMB workshop 9)

LDF Project Management Board Workshop 9 - w/c November 21st 2010 Policy SS5 – justifying the distribution of jobs (analysis of Nomis data)

Summary of Issues

PMB considered the revision of draft Policy SS5: Delivering New Employment Land on the 7th June 2011. The policy was amended to include the number of jobs that the Core Strategy would encourage the delivery of in each settlement.

The report to PMB in June explained the methodology behind the distribution of the 12,500 additional jobs that Baker Associates identified could be supported in the District by 2028 (Housing Requirement for South Somerset and Yeovil, January 2011). Outside of Yeovil (the Yeovil figure was determined by Baker Associates in their report) the jobs were distributed using the 2006 Annual Business Inquiry (ABI) data from Nomis. Given that the distribution was based on one set of results, it was considered prudent at the June PMB to analyse employee figures from Nomis over a longer timeframe to ensure that the Core Strategy distribution was fully justified and evidenced. This paper presents a summary of the results of that analysis.

Considerations

The table below sets out the distribution of jobs by ABI 2006 data, an average of ABI/BRES data over the years 2003-2010 (see note below for explanation) and the Core Strategy distribution. It is clear from the table that there are no real anomalies and the justification for the distribution of jobs, hence housing set out in the PMB paper of the 7 June 2011 is still applicable and justified with evidence.

	Distribution of jobs in ABI 2006	Average % Distribution of jobs 2003-2010 (minus 2008 ABI)	Average % Distribution of jobs 2003-2010 (minus 2008 BRES)	% Distribution of jobs (Draft Core Strategy)
Yeovil	47.4	49.4	49.4	50
<u>Market Towns</u>				
Chard	8.5	8.9	9.0	9.3
Crewkerne	3.9	4.5	4.5	4.6
Ilminster	3.0	3.1	3.1	3.8
Wincanton	4.6	4.7	4.7	5.4
Somerton	2.0	2.1	2.1	2.8
Langport & Huish Episcopi	1.9	1.9	1.9	2.6
Ansford & Castle Cary	1.7	1.8	1.8	2.5
<u>Rural Centres</u>				
Ilchester	4.3	3.37	3.39	
South Petherton	1.1	1.08	1.10	
Martock	1.3	1.28	1.28	
Bruton	1.1	1.23	1.22	
Milborne Port	0.6	0.60	0.60	
Stoke Sub Hamdon	0.3	0.36	0.34	
Total Rural Centres	8.7	7.9	7.9	8.8
Rural Villages	18.3	15.6	15.7	10.2

Source - ONS Crown Copyright Reserved [from Nomis on 18 October 2011]

Definitions

Annual Business Inquiry (ABI) is a survey of the number of workplaces and their size (in terms of employees) in an area broken down by detailed industry (4 digit Standard Industrial Classification). This data is available from 1993 - 2008, when it was replaced by BRES (see below).

Business Register Employee Survey (BRES) is an employer survey of the number of jobs held by employees broken down by full/part-time and detailed industry (5 digit Standard Industrial Classification). The survey records a job at the location of an employee's workplace. This data is available from 2008 onwards.

For the year 2008, both ABI and BRES data was collected, and whilst they were both collected in September, they have different datasets. Given this anomaly, the time series analysis for 2003-2010 was taken twice, excluding the ABI data for 2008 in the first instance and the BRES data for 2008 in the second. This has resulted in very little change, but is included for thoroughness.

Recommendations

No change.

Appendix 5 Calculated Growth of Chard Post Plan Period

The amount of employment land required for 1,496 houses:

1496 houses x 2.1 people per household (Baker predicted figure over plan period) therefore
Potential Number of People = 3,172 people

Divided by 2.02 (1 job per 2.02 people) = 1,570

61% of jobs are in B uses = 958

Split between 'B' Class Uses:

B1 uses – 78% - $958 \times 78\% = 748$ jobs

B2 uses – 11% - $958 \times 11\% = 105$ jobs

B8 uses – 11% - $958 \times 11\% = 105$ jobs

B1 uses split 50:50 - Town Centre: Business Park = 374 jobs each

B1 (Town Centre) = 12 sq m per job = 374×12 sq m = 4,488 sq m

B1 (Business Park) = 47 sq m per job = 374×47 sq m = 17,578 sq m

B2 = 36 sq m per job = 105×36 sq m = 3,780 sq m

B8 = 70 sq m per job = 105×70 sq m = 7,350 sq m

Total land required = 33,196 sq m = 3.32 ha