

# ROTHER LOCAL PLAN CORE STRATEGY

## REVIEW OF EMPLOYMENT LAND REQUIREMENTS IN LIGHT OF PROPOSED REVISED HOUSING TARGETS

### 1. CONTEXT

1.1 Rother District Council has resolved<sup>1</sup> to increase the housing targets in its Local Plan Core Strategy as below:

	<b>Submitted Core Strategy</b>	<b>Proposed increased housing targets</b>
Bexhill	2,050 – 2,250	3,100
Hastings Fringes	45 - 80	100 – 250
Battle	400 – 440	475 – 500
Rye	250 – 350	355 – 400
Rural Areas	950 – 1,000	1,670
<b>Total:</b>	<b>3,700 – 4,100</b>	<b>At least 5, 700</b>

1.2 This Review considers whether, and if so, in what way, the employment land provisions in the Core Strategy should be increased as a consequence of the higher levels of proposed housing growth across the District.

1.3 Key references for this Review are:

- (a) Hastings and Rother Employment Strategy and Land Review, May 2008 (referred to as the 'ESLR 2008')
- (b) Hastings and Rother Employment Strategy and Land Review Update, August 2011 (referred to as the 'ESLR Update 2011')
- (c) Hastings and Rother Strategic Housing Market Assessment Update, June 2013 (referred to as the 'SHMA Update 2013')

### 2. APPROACH AND ASSUMPTIONS IN SUBMITTED CORE STRATEGY

2.1 The submitted Core Strategy gives high priority to addressing the economic weaknesses of the District and, in concert with Hastings Borough Council, those of the wider Hastings Travel-to-Work Area. In this respect, it supports both the East Sussex Integrated Sustainable Community Strategy and Rother District Council's own Economic Regeneration Strategy.

2.2 Key strategic objectives are to raise skill levels and local earnings, for which expanding the economic base, including in key sectors, is seen as vital. Providing a sufficient supply of a broad range of sites and premises across the District is integral to this, as reflected by Core Strategy Policy EC2.

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<sup>1</sup> At Full Council on 8<sup>th</sup> July 2013. Minute CB13/6 refers.

- 2.3 The overall scale and distribution of employment land derives from the ESLR Update 2011. This adopts a strategy-led approach in that it plans not only for a changing workforce, but also for increased economic activity rates, greater self-sufficiency in employment (i.e. reduced net out-commuting) and full employment.
- 2.4 In addition, the Core Strategy made allowance for meeting some of the employment needs arising in Hastings. This is specifically related to the provision of a strategic business site at North East Bexhill to serve as a focus for inward investment to the eastern part of East Sussex, as well as to provide expansion space for existing SMEs.
- 2.5 For reference, the employment provisions in the submitted Core Strategy are:

	<b>Employment floorspace 2011-2028</b>
Bexhill	60,000 sq.m.
Hastings Fringes	At least 3,000 sq.m.
Battle	10,000 sq.m.
Rye	10,000 – 20,000 sq.m.
Villages	10,000 sq.m.
<b>Total:</b>	<b>93,000 – 103,000 sq.m.</b>

### **3. REVIEW OF EMPLOYMENT FLOORSPACE NEEDS**

- 3.1 It is necessary to consider each of the following factors in reviewing the existing levels of employment floorspace needed to meet strategic policy objectives:
- a) The current national policy priorities
  - b) The most recent national economic forecasts
  - c) The most recent local economic forecasts
  - d) The implications of revised housing growth on labour force
  - e) Labour force growth assumptions

These are considered in turn below.

- 3.2 The National Planning Policy Framework, published since the **ESLR** Update 2011, highlights the role of planning in supporting economic recovery. Indeed, much of the thrust of the Framework is related to securing sustainable economic growth. It follows that policies, including employment land provisions, should demonstrably support the creation of new jobs, as well as maintenance of existing ones.
- 3.3 Recent (March 2013) economic forecasts prepared by the Office of Budget Responsibility are presented in the SHMA Update 2013. This shows a lower rate of growth than earlier forecasts, with 2-3% annual growth from 2013-2017/18.

- 3.4 Local economic forecasts have been prepared for East Sussex County Council by Cambridge Econometrics. These look forward to 2025 and how, from 2011, employment growth in Rother of 3,100 jobs, and a further 2,000 jobs in Hastings. It needs to be borne in mind that these are trend-based forecasts, based on the existing local economic structure. Figure 10 of the SHMA Update 2013 projects these forward to 2028, giving a total of 6,200 jobs across the Hastings and Rother labour market area.
- 3.5 The additional jobs requirement associated with the objectively assessed need of 6,180 dwellings for Rother, as contained in the SHMA Update 2013, would be 6,573 jobs, when consideration is given to higher economic activity rates, reduced out-commuting or full employment levels (Figure 14 refers.)
- 3.6 For comparison, the jobs requirement used to determine the employment floorspace provisions in the submitted Core Strategy was somewhat less at 5,127 jobs. (See Table 23 of the ESLR Update 2011.)
- 3.7 Of course, the proposed revised modifications envisage a housing target of at least 5,700 net additional homes rather than 6,180 homes. The labour force/jobs projections of this slightly lower level would require further modelling, but a comparable percentage reduction to homes and jobs would suggest an order of job growth of  $6,573 \times (5,700/6,180) = 6,062$  jobs.

#### **4. CONCLUSION**

- 4.1. While the increase in housing numbers suggests an increase in the jobs requirement, of approximately 18%, it is noted that the existing Core Strategy employment land provision is already reliant on generous assumptions about full employment, increases in the economic activity and reduced out-migration. Furthermore, the overall level of growth being planned for is already 35% greater than the Local Economic Forecast suggests (see SHMA Update 2013, Figure 14).
- 3.8 Hence, it is concluded that the existing employment land provisions are likely to still represent an ambitious, but realistic, level of growth, notwithstanding increased housing. In practice, it is likely that the higher level of housing now proposed will mean that attainment of the policy objectives highlighted above will be less than with lower housing growth.
- 3.9 Even so, it is concluded that it would be appropriate to insert the words “*at least*” into the wording of relevant policies, where applicable, to enable the potential for higher levels of employment provision to be explored further as part of site allocations work.