

Babergh Development Framework  
**Core Strategy (2011- 2031) Submission Draft**  
(Part 1 of Babergh's New Local Plan)

**Technical Background Document 3:  
The Local Economy and Employment in Babergh**  
Version 2.1 (10 November 2011)

## Purpose of Paper

This Technical Background Paper follows Version 1.1 (10 October 2011) which covered the Issues and Options and Growth Issues and Scenarios stages, and has been produced to:

- Set out, in further detail, the **policy context and background** to development of Babergh's Core Strategy in relation to economy and employment;
- Outline the **evidence** used to formulate the policies in the Core Strategy Submission Draft on economy and employment matters and **what the evidence tells us**;
- Section 3 looks at the development of a **Joint Economic Strategy for Babergh and Mid Suffolk**; considers the background, and how we can **recognise and build on our strengths**, and looks at The South and Heart of Suffolk **Tourism Strategy**; and
- Section 5 considers the part Babergh plays in **working with others**, and reports on Babergh's actions.

## 1. Policy Context and Background

### 1.1 The Role of the RSS

- 1.1.1 During the preparation of the Preferred Options draft of Babergh's Core Strategy a new government was elected, and almost immediately the new Secretary of State announced his intention to abolish regional strategies. This led the Council to pause and reconsider the Core Strategy. During the remainder of 2010 and the first half of 2011 a legal challenge to the decision to abolish regional strategies resulted in uncertainty on how we should treat RSS targets. However, advice has been issued that pending Royal assent and enactment of the Localism Bill the RSS remains in force, but the Government's intention to abolish regional strategies may be a material consideration in policy making and decision taking.
- 1.1.2 The RSS has provided, and remains part, of the evidence base and context for preparation of Babergh's Core Strategy, and has particular relevance in terms of jobs growth targets as Babergh was included in the Suffolk Haven Gateway sub-region, and the following paragraphs set out the background to this part of the evidence base.
- 1.1.3 The Haven Gateway sub-region was granted growth-point status by the government in 2006 (the Partnership [HGP] was formed in 2001), and the jobs growth figures provided by the HGP for the RSS were acknowledged by the Secretary of State in her Proposed Changes to the Draft RSS and Statement of Reasons (December 2006), to be "bottom up" assessments based on studies (by the HGP) that informed the draft RSS and accepted the recommended figures for the Haven Gateway sub-region. It is considered by the partner authorities that these targets have local validity, and this has therefore been an important strand of our evidence.

- 1.1.4 The Regional Spatial Strategy (East of England Plan, May 2008) set sub-regional targets for job numbers (30,000 for the Suffolk Haven Gateway – Ipswich, Suffolk Coastal and Babergh), and a draft of the updated plan, looking forward to 2031, was published in March 2010. The Draft RSS plan review >2031 set indicative targets for each district: 9,700 for Babergh, with a note that “Apportionment for the Ipswich Policy Area will be determined by Babergh, Ipswich, Mid Suffolk and Suffolk Coastal Councils”. The point was made in the policy that “although shown as District targets, in many parts of the region economic/urban areas extend across two or more District boundaries and a coordinated approach to the job targets will need to reflect this.” Much of the work that went into the jobs targets part of the regional strategy was carried out by local authorities, particularly in the case of south Suffolk, with the Ipswich Policy Area authorities and the Haven Gateway Partnership.

### 1.2 Links to Other Plans and Strategies

- 1.2.1 Babergh’s Core Strategy is intended to ‘join up’ town planning and land use issues with plans and strategies of other stakeholders and service providers that deal with issues such as employment, regeneration, housing, education, health, community safety, community development, transport, and the environment. This is to ensure that development and investment decisions are guided by the objectives and long-term vision for the District. The context for the Core Strategy includes strategies and plans produced by bodies that have been, or are being wound up, such as EEDA, as well as those produced by other partners and agencies. These were scoped as part of the sustainability appraisal for the Plan document in order to ensure that their content and their aims were understood and incorporated as necessary. A brief outline of these plans and strategies (including internal plans and strategies) that were part of the background context for, and played a part in informing, the Core Strategy is provided below.
- 1.2.2 Regional Economic Strategy (RES) 2008 - was developed by the East of England Development Agency (EEDA) and covers the period of 2008-2031. The strategy sets out a vision with targets and priorities to drive the East of England forward as a globally-competitive region. The strategy sets out the objectives and long term vision for the region’s economy with high and growing levels of wealth, increasing levels of economic participation and inclusion and sustainable dynamic rural economies. The RES also aligns with the spatial strategy for the region and identifies 8 goals to deliver a leading economy including: enterprise, innovation, digital economy, resource efficiency, skills for productivity, economic participation, transport and the spatial economy.
- 1.2.3 The Haven Gateway Integrated Development Programme (Dec. 2008) - offers a detailed account of the strengths, challenges, risks and opportunities within the Haven Gateway as it plans for growth and development in the years to 2021 and beyond. It also provides a single delivery plan for investment which will allow for appropriately phased development in the period to 2021 and, indicatively, beyond. It also looks at strategic employment sites.
- 1.2.4 Sustainable Community Strategies - Babergh is covered by two Local Strategic Partnership (LSP) areas (Western Suffolk LSP and Babergh East LSP) and must therefore take these community strategies as well as the Suffolk Community Strategy (Suffolk Local Strategic Partnership) into account so that the Core Strategy operates at a broad, strategic level and provides for the whole district in a unified way, whilst also respecting its diversity.
- 1.2.5 Suffolk County Council Local Transport Plan 2011 - 2031 – sets out the key transport issues in Suffolk and Suffolk County Council’s proposed programme of transport improvements from 2011 to 2031. The plan outlines the important role transport plays in the County and emphasises the need for a well managed transport network to improve access to jobs and services and to achieve development and regeneration.

- 1.2.6 Suffolk Haven Gateway and Ipswich Policy Area Authorities – ongoing work at officer level, including IPA authorities working with other Suffolk authorities on an A14 employment land availability and promotion exercise, and work with Mid Suffolk District Council to develop a joint Economic Strategy

### 1.3 National Policy Context

- 1.3.1 This is covered in the main Core Strategy document but reiterated here for the purposes of convenience and avoidance of cross-referral. Currently, Planning Policy Statements (PPSs) and Planning Policy Guidance notes (PPGs) set out the government's national planning policies/guidance. Following the change in government, they are being revised and consolidated, and a draft of the National Planning Policy Framework (NPPF) that will replace them was published for consultation on 25 July 2011. The draft NPPF gives a clear indication of the Government's policy direction for planning and as such it may be a material consideration in drafting policy, although as a draft, more weight may be appropriate to some issues than others, and this will be a matter of judgment (at the local level) in each particular case.
- 1.3.2 PPS4: Planning for Sustainable Economic Growth was published in December 2009 and sets out objectives for prosperous economies and encompasses policies for economic growth in urban areas, town centres and rural areas. "Economic development" includes public and community uses and main town centre uses, and the term now also applies to other development which achieves either the provision of employment opportunities; generates wealth; or produces or generates an economic output or product. This wider definition recognises the value to the economy of non-B Class enterprises and the scale of jobs involved, including, for example, education, and tourism/hospitality/catering, which are particularly important in Babergh.
- 1.3.3 As well as support for business generally, PPS4 requires Councils to identify a range of sites to facilitate a broad range of economic development, including mixed use sites (where appropriate). Key distribution networks should be protected and promoted. Town centres are important to the local economy and need to be protected and enhanced. National policy continues to support economic development in rural areas, through re-use of redundant buildings and farm diversification (among other approaches), and seeks to ensure sufficient shops, facilities and services are available in rural areas to serve people's day-to-day needs.
- 1.3.4 The Draft NPPF sets out (in generic terms) what sustainable development means for the planning system: planning for prosperity (an economic role) – use the planning system to build a strong, responsive and competitive economy, by ensuring that sufficient land of the right type, and in the right places, is available to allow growth and innovation; and by identifying and coordinating development requirements, including the provision of infrastructure; planning for people (a social role); and planning for places (an environmental role). In the Planning for Prosperity section, under the heading 'Business and Economic Development' the draft document states that the Government's objectives to help achieve sustainable economic growth are to:
- plan proactively to meet the development needs of business and support an economy fit for the 21st century
  - promote the vitality and viability of town centres, and meet the needs of consumers for high quality and accessible retail services; and
  - raise the quality of life and the environment in rural areas by promoting thriving, inclusive and locally distinctive rural economies.

It advises, “In drawing up Local Plans, local planning authorities should ensure that they:

- “set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth
- set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated requirements over the plan period
- support existing business sectors, taking account of whether they are expanding or contracting and, where possible, identify and plan for new or emerging sectors likely to locate in their area. Policies should be flexible enough to accommodate requirements not anticipated in the plan and to allow a rapid response to changes in economic circumstances
- positively plan for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries
- identify priority areas for economic regeneration, infrastructure provision and environmental enhancement; and
- facilitate new working practices such as live/work.”

### **2.1 The evidence and what it tells us**

- 2.1.1 Evidence to support the Council’s direction and policies is available in different forms and at different levels. Nationally data is available from the 2001 Census (although of limited value as it largely out of date), and through the Office of National Statistics (ONS) who produce estimates and new data at regular intervals, and will release information from the 2011 Census as it becomes available. At the regional level data and studies have been commissioned and produced by or for the former East of England Regional Assembly (EERA), the East of England Development Agency (EEDA), and other similar bodies which are soon to be abolished or have been scrapped since 2010/11. This work includes the East of England Forecasting Model (EEFM) which has been updated annually and which is used by other Suffolk local authorities.
- 2.1.2 At the County level Suffolk County Council produce intelligence, particularly in the area of demographics and social data, and the former Suffolk Development Agency, latterly Choose Suffolk has also collected data, commissioned or carried out research, and monitored and published data on local economic activity.
- 2.1.3 As part of the Suffolk Haven Gateway Partnership Babergh has benefitted from joint commissioning of studies, including the Employment Land Review (GVR Grimley Ltd Oct 2009/Jan 2010), carried out for Ipswich, Suffolk Coastal and Babergh in 2009, and studies commissioned by or looking at the economic effects and requirements of the Port of Felixstowe (e.g. the Felixstowe Port Logistics Study, 2008). In addition, the Haven Gateway Partnership has carried out its own research on the economic impact of the transport, ports and logistics industry in the sub-region (see paragraphs 2.2.11 to 2.2.24 below).
- 2.1.4 At the Babergh level planning decisions, building commencements and completions are monitored and reported through the Annual Monitoring Report (AMR), and local information and intelligence gathered through Economic Development activities, including Business Forums and networks such as the Chambers of Commerce, is used to track changes and detect trends in local economic activity. In addition to this information gathered through Tourism support networks, principally the South & Heart of Suffolk Tourism organisation, is collected and used as appropriate.

- 2.1.5 The Babergh District Retail Study (Colliers CRE) and Sudbury and Hadleigh Health Checks (all published July 2008) gave us a detailed picture of how Sudbury and Hadleigh were performing as market towns for their hinterlands, and identified where the offer and performance of these towns could be improved. Annual Town Centre Health Checks are carried out and reported in the AMR, and these are supplemented with an annual update to review occupancy rates and other factors affecting the vitality and viability of the town centres. Recent planning applications for retail schemes in Sudbury and Hadleigh, and work on the Hamilton Road Quarter in Sudbury (Local Plan Policy SD06) have resulted in independent studies that give detailed and up-to-date information on the performance of these town centres. Detailed evidence information on these matters is provided by the Town Centres Health Checks Update 2011 document, available on the Babergh website within the BDF pages.
- 2.1.6 As noted earlier, Census data that is ten years old may be of limited use, giving us a snapshot in time of Babergh. Other data, produced regularly, can show patterns and trends, and be more helpful in developing a policy response to a particular issue. Where there is a consistent approach, and acceptance and agreement by groups of local authorities working together, the use of data to produce forecasting models, such as the EEFM, also has a role to play in predicting responses and assessing the deliverability of strategies and policies (see below).
- 2.1.7 All the evidence documents can be accessed through the website at: [www.babergh.gov.uk/babergh/ldf](http://www.babergh.gov.uk/babergh/ldf). The principal studies, reports, statistics, projections and forecasts that have informed the vision, objectives, jobs growth target and economy and employment policies in Babergh's Core Strategy and that will inform development of the joint Babergh & Mid Suffolk Economic Strategy are:
- Demographic, labour market, unemployment statistics, annual property reports produced by ONS, NOMIS, Suffolk County Council, Suffolk Observatory/Choose Suffolk (e.g. Babergh District Profile 2010 – SCC, and Babergh Economic Profile 2010 – 2011 – Choose Suffolk)
  - Suffolk Haven Gateway Employment Land Review (January 2010) GVA Grimley
  - Haven Gateway Report on the economic impact on the Haven Gateway area of the transport, ports and logistics industry, May 2010
  - Babergh District Retail Study (July 2008) colliers CRE
  - EEFM Autumn 2010 Oxford Economics for Insight East (EEDA) and previous iterations.
  - Economic Impact of Tourism in Babergh 2009 – East of England Tourism, 2009
- 2.1.8 In developing an economic strategy and policies to help shape the growth of the local economy in the next 20 years the important question to ask of this collection of evidence is “what does it tell us?” The myriad of evidence has informed the Issues and Options consultation in 2009, the preparation of a Preferred Options draft in 2010 (not proceeded with), and more recently the Growth Issues and Scenarios engagement and consultation exercise carried out in the autumn of 2010, and this is discussed in section 2.2.

## 2.2 How the evidence supports the Core Strategy

- 2.2.1 The demographic information from annual profiles paints a background picture, and compares Babergh with other Suffolk authority areas, the County, the region (historic – regional bodies/organisations have been, or are being closed), and the national picture. Data sources for the two annual profiles listed above include:
- Office for National Statistics (ONS) (incl. mid-year population estimates) ([www.statistics.gov.uk](http://www.statistics.gov.uk))
  - 2001 census [www.ons.gov.uk](http://www.ons.gov.uk)
  - ONS Annual Business Inquiry



- ONS Job Seekers Allowance claimant count
- ONS Annual Population Survey
- Index of Multiple Deprivation (DCLG) [www.communities.gov.uk](http://www.communities.gov.uk)
- NOMIS ([www.nomisweb.co.uk](http://www.nomisweb.co.uk))

- 2.2.2 From the data we know that at the time of the 2001 Census 83,461 people lived in Babergh, and since mid-2001 the population has increased by 4.2% reaching 86,959 by mid-2008. Suffolk's population has increased by 6.8% during this period and is now estimated to be 715,700.
- 2.2.3 We can see from the age pyramid that Babergh, like the whole of Suffolk, has an ageing population. Unsurprisingly therefore Babergh has the second highest percentage of working age population who are economically inactive in the county at 26.9% - 6% higher than the county average. Of these, only 7.6% are economically inactive but want a job. The majority of economically inactive people (19.3%) do not want a job which suggests there are a high number of retired people or home-makers in the district.
- 2.2.4 Of interest for the future is that the age profile of Babergh has a larger than average number of 10-14 year olds, particularly boys, and adults aged 55+, whilst the number of 20-39 year olds is much lower than average.
- 2.2.5 As noted in the Choose Suffolk Babergh Economic Profile 2010-2011, "a skilled workforce is an essential part of any thriving economy – successful businesses need a pool of employees to choose from with a range of skills to support their business needs. In turn, in order for individuals to compete in an increasingly competitive and pressurised jobs market, they need to possess an array of skills in order to stand out from the crowd." It is therefore interesting to note that although attainment at G.C.S.E level Key stage 4 in Suffolk is often perceived to be poorer than the regional or national averages data collected by Suffolk County Council shows that this is not the case in Babergh where in 2009, 72% of pupils achieved 5 or more GCSEs at grades A\*-C which is 5% higher than the county average. In terms of general skills level Babergh district has higher working age skill levels than the county as a whole, but is still below the regional and national level.
- 2.2.6 Data on the number of people claiming benefits in a given area is a good indication of the overall state of the local economy. Babergh currently has the fourth lowest percentage of people claiming benefits in comparison to the other districts in the county. Babergh is, on average, 2% lower than the Suffolk county average. The number of people claiming benefits saw a sharp jump in Babergh in 2009 when the percentage of the population claiming increased by 2%. Since then the number of claimants has been decreasing gradually though still remains significantly higher than in 2008.
- 2.2.7 In 2010 Babergh had the lowest rate of unemployment in the county, at 2.4%, well below the county average of 6.6%. Job Seekers Allowance (JSA) is the main benefit for working age people who are out of work and actively seeking employment. As such, it is a better indicator of the number of unemployed people in an area and as it is measured monthly, of regular long term trends in unemployment. The number of people claiming JSA in each district in Suffolk has increased over the last three months. However, Babergh had a relatively low rate of JSA claimants when figures were produced in 2010 at 2.3% compared to the countywide rate of 3%.
- 2.2.8 In terms of Babergh's median annual earnings with respect to other districts in Suffolk and the county and region overall, the Babergh workplace based figures are £1,494 below the Suffolk county average and £3,028 lower than the East of England average.

- 2.2.9 Employment in Babergh is dominated by four main sectors: public services, banking, finance and insurance, distribution, retail, hotels and restaurants and manufacturing. In terms of employment in the district the biggest sector is 'manufacturing' which employs 18.5% of workers (7% more than the Suffolk average). The second biggest sector for employment is 'retail' at 12.2% (1.5% higher than the Suffolk average).
- 2.2.10 It is important to note that 40.7% of jobs in Babergh in 2010 were in six non-B Use Class employment sectors including retail, health, education, accommodation and food services. Combine this figure with other non-industrial sectors such as construction, agriculture, and the office based sectors: business administration and support services, financial and insurance and information and communication, a total of 21.2%, and the range and robustness of the local economy becomes more apparent.

### **The Suffolk Haven Gateway (SHG)**

- 2.2.11 In May 2010 the Haven Gateway Partnership published a report on the economic impact on the Haven Gateway area of the transport, ports and logistics industry (the report and summary documents are available on the Council's website as well as on the Haven Gateway Partnership's website):  
[www.haven-gateway.org/sectors/ports\\_and\\_logistics/economic\\_impact\\_of\\_ports\\_logistics](http://www.haven-gateway.org/sectors/ports_and_logistics/economic_impact_of_ports_logistics)
- 2.2.12 Although Babergh is a relatively small part of the Haven Gateway sub-region and may not appear to have immediate connections with Felixstowe or Harwich, the report indicates the importance of the ports, transport, wholesale trades, and logistics to the local economy, and importantly the 'supply chain' and the value of inter-business trade and the spending power of companies in this sector and their employees.
- 2.2.13 The study found that there were 32,200 direct employees in transport, wholesale and logistics, who have an after-tax income of approximately £740 million. This equates to the generation of a further 10,000 to 12,000 jobs across the rest of the local economy, the study shows.
- 2.2.14 As well as establishing the significance of the industry to the area, the study looks ahead to the needs of the sector, particularly as additional container handling facilities come on stream in Felixstowe and, further into the future, at Harwich. The study concluded that the Haven Gateway will need 165 new employees in the sector each year over the next few years – but more significantly, it will also need 1,250 people to replace those employees that retire or move to other jobs.
- 2.2.15 Hutchison Ports UK, in a Port of Felixstowe publication<sup>1</sup>, estimates that "over 17,000 people make their livings through some connection with the "Haven Ports" – the Port of Felixstowe, Harwich International, Harwich Navyard, Ipswich and Mistley".
- 2.2.16 The Felixstowe South port expansion will create 600 direct jobs and is likely to create another 860 jobs locally in other service industries. The Bathside Bay development at Harwich could create 772 new jobs directly, and another 928 indirectly.
- 2.2.17 Twenty-two of the biggest companies operating in the transport, ports and logistics sector in the Haven Gateway spend annually in excess of £40 million in buying local services. Within that figure, there is some element of intra-sector payments – from collated data just under one third of payments are made to other companies in the sector.

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<sup>1</sup> A World of Opportunity – Careers at Port of Felixstowe (2008)

- 2.2.18 Transport, ports and logistics companies spent significantly in the hospitality industry – hotels and restaurants; and engineering maintenance. The business-to-business expenditure external to the sector is likely to support approximately 1,000 jobs in the local economy. This estimate of £100 million does not include service sector expenditures made by businesses in the wholesale trades sector and the jobs thus created. These jobs are in accountancy and audit, hospitality, restaurants and hotels, insurance, legal and professional, maintenance, training, advertising, taxis and other travel.
- 2.2.19 The report states: “One recurring theme in the discussions was the spending on local taxi services. Several companies indicated budgets for taxi use were in excess of £10,000 per year. The value of the total taxi / private hire market in the Haven Gateway is probably in excess of £8 million per annum.”
- 2.2.20 In addition to this, public sector employment has been created to support the transport, ports and logistics workforce. As the report puts it, “If the sector workforce did not exist in the area, then a potential reduction in the service requirement of 8,900 jobs would be possible. This is based on a pro rata basis looking at the employed workforce of the main public sector areas of health, education and local government. Put another way, the presence of the transport, ports and logistics workforce is sustaining indirectly – through its tax and national insurance contributions – almost 9,000 more jobs.”
- 2.2.21 The direct spending by sector employees in the local economy is likely to generate between 10,000 and 12,000 jobs. (This is additional to jobs created by business-to-business spending) On the assumption that Haven Gateway residents conform to UK spending patterns, then the spending habits of the transport, ports, and logistics workforce is likely to sustain over 3,000 retail jobs, and over 2,000 jobs in the hospitality, cultural, recreational and entertainment industries in the sub-region.
- 2.2.22 The report also looks to the future, “The Sector Skills Council (Skills for Logistics), in its 2009 regional report using Working Futures III – a series of employment projections 2007-2017, suggests that 6,000 new jobs will be created in the industry over the ten year period in the east of England.” The port also points out that because of people leaving the workforce – particularly as a result of an ageing workforce – that in addition to this there is a replacement demand. The research undertaken for the report leads the Haven Gateway to conclude that “it is likely that the regional net increase of just over 3% per year (new plus replacement demand) can be exceeded in the Haven Gateway area. The minimum requirement is likely to be 1,250 jobs per year for replacement demand and a further 165 new jobs per year.”
- 2.2.23 The report goes on to explore the economic benefits to the sub-region, and concludes:
- “The business expansion through the ports that will take place after the current recession has abated, probably from about 2011 onwards, is not likely to result in a significant increase in new direct employment. *The importance of the directly employed workforce is its spending power in the community, possibly sustaining a further 10,000-12,000 jobs in service industries, such as retail and hospitality. The importance of the transport, ports and logistics industry to the financial stability of the area is shown through the services it directly buys: financial services and accountancy, legal and insurance services; and through services it induces others to buy: passengers to ferries and cruise liners using shops and restaurants.*”
- The report shows that the transport, ports, logistics and wholesale trades businesses play a pivotal role in the economy of the sub-region, and their presence in the locality sustains around 45,000 jobs in the sector itself and in all the supporting service industries. (This figure does not include the public-sector jobs in health, education and local government administration that provide services to this workforce).



2.2.24 For such reasons, Babergh has, since 2008, been a full partner, working in close partnership with Haven Gateway Partnership (also a full partner), in the European Union funded Dryport project. Information may be found on this at [www.Dryport.org](http://www.Dryport.org). “Dryport – a modal shift in practice” is a public/private sector project set up with Interreg IVB North Sea Region funding to examine the way in which hinterland intermodal freight transport hubs can best operate to cope with current and future traffic flows and the challenges of port congestion. Its aims are therefore primarily concerned with how to promote and accommodate the growth of the Haven ports (Felixstowe in particular) in a sustainable way but also to improve the efficiency of the port’s waterside operations. The 2 partners (BDC and HGP) have invested significant efforts towards exploring the need / potential for a Dryport type facility to serve this area, where this might be located, how it would be delivered and what form it should take.

### The SHG Employment Land Review

2.2.25 The Suffolk Haven Gateway (SHG) Employment Land Review (ELR) was undertaken in the second part of 2009 and published in January 2010. The ELR only considers employment activities in the B Use Classes: that is B1 light industrial, offices, research and development, B2 general industrial uses, and B8 warehouse and distribution. For employment in these areas the study provided a detailed picture of employment land uses and changes over time for each district involved. In Babergh the study confirmed that there had been relatively little growth in industrial floorspace in the previous ten years. The most popular size of unit reflects the District’s predominance of general industry and light manufacturing over distribution and warehouse activities (this was reflected in completion data for new employment floorspace). The number of industrial estates in Babergh vary in size and age of buildings, but all showed high occupation levels and were trading strongly (helped by relatively low rents).

2.2.26 The SHG ELR considers employment land supply in detail and divides the district into Babergh East, Babergh West, and Mid Babergh. Three strategic employment sites are identified: Sproughton former sugar factory, Wherstead, and Brantham Industrial area. Whilst Brantham has meets less of the strategic criteria identified it is seen as providing a potentially significant role in delivering employment opportunities for the local area.

2.2.27 The study also looks at employment sector strengths and potential growth. In terms of strengths, the influence of the Port of Felixstowe is strongly represented in Babergh, as is manufacturing. In terms of potential growth, there are a number of B Class manufacturing activities which perform strongly in Babergh, and the significance of the port is confirmed.

2.2.28 There are seven recommendations from the ELR which can be summarised:

- Ensure joint working with neighbouring local authorities and the HGP: the analysis indicates that commercial market forces do not operate within the restrictions of administrative boundaries. Indeed, they have functional areas that promote the need for a sub-regional approach to employment land and development. Sites such as Wherstead and the former sugar factory at Sproughton have the potential to accommodate the excess demand created from Ipswich Borough. The south western part of the Ipswich Fringe is identified as an important location for the future prosperity of Babergh and the sub-region as a whole.
- Continue support for strategic employment development in the Ipswich Fringe at the former British Sugar site and Wherstead. Consider additional sites.
- Encourage employment development at the former British Sugar site at Sproughton.
- Maintain existing employment sites in Babergh

- Maintain dialogue with business occupiers to ensure sites continue to serve their economic and employment needs
- Provide for employment uses on Brantham Industrial Site.
- Consider de-allocating site EM07 Bures Road, Great Cornard

### The East of England Forecasting Model (EEFM)

- 2.2.29 The East of England as a region has used a forecasting model since 2007. Suffolk authorities have contributed data to this, and the model continues to be used as an agreed basis for future planning. More information about the model can be found on the “Insight East” website, [www.insighteast.org.uk](http://www.insighteast.org.uk). Although EEDA will not exist after March 2012 and the RSS is to be abolished, the need for reliable data and the use of projections and models to forecast the future for planning purposes will continue, and it is intended that for the time being Suffolk authorities will continue to subscribe to the EEFM which will continue to be regularly updated.
- 2.2.30 The EEFM draws on the most up-to-date published information, supplemented by local intelligence and the experienced professional judgement of the model builders to produce updated forecasts every six months. Economic forecasts help to inform our view of the future. They extrapolate future trends from our knowledge of past trends and the current situation. We understand that they are a view based on these calculations, and that they are not facts waiting to happen. The model cannot take account of unforeseen events or reversals of trend, and no matter how sophisticated the forecast methodology, errors will occur because the future is never known exactly. Also, the EEFM forecasts are policy-neutral: that is, they assume policies will not change. As explained in the introduction to the summary document, “they provide a benchmark to show what could happen if policy-makers do nothing: a major reason for forecasting is of course to help them decide whether policy *should* change.”
- 2.2.31 It can be seen from Figure 1 that the number of jobs in Babergh in the 15 years from 1991 to 2006 increased by 8,600 (27.1% increase). The 2009 projection for Babergh for the 15 year period of 2006 to 2021 was a more modest 10.1% increase (Figure 2).

**Figure 1: Estimated number of employees**

District	Total employees 1991	Change 1991 - 2006	% change 1991 - 2006	Total employees 2006
Babergh	31,800	8,600	27.1	40,400
Forest Heath	24,800	4,600	18.6	29,400
Ipswich	69,300	6,800	9.8	76,100
Mid Suffolk	30,600	11,000	36.0	41,600
St Edmundsbury	50,200	11,300	22.6	61,600
Suffolk Coastal	54,700	2,900	5.3	57,600
Waveney	48,500	500	1.0	49,000
Babergh	31,800	8,600	27.1	40,400
Suffolk	309,900	45,800	14.8	355,700

Source: East of England Forecasting Model, May 2009, EEDA. Note: employment totals include self-employed, government-supported trainees and HM Forces

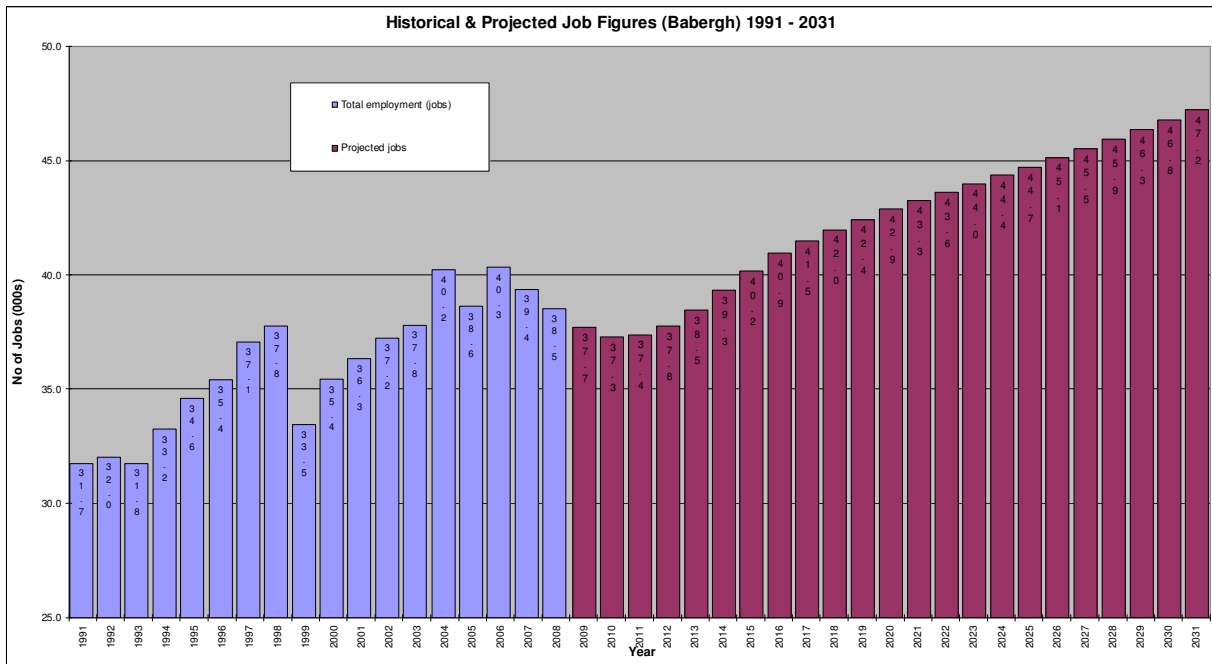
**Figure 2: Projected number of employees**

District	Projected change 2006 - 2021	Projected % change 2006 - 2021	Projected total employees 2021
Babergh	4,100	10.1	44,500
Forest Heath	0	0.1	29,400
Ipswich	3,400	4.4	79,500
Mid Suffolk	-400	-1.1	41,100
St Edmundsbury	4,200	6.8	65,800
Suffolk Coastal	5,900	10.3	63,500
Waveney	-2,100	-4.3	46,900
Suffolk	15,000	4.2	370,800

Source: East of England Forecasting Model, May 2009, EEDA. Note: employment totals include self-employed, government-supported trainees and HM Forces

2.2.32 Figure 3 (see next page) shows the historic figures for jobs growth in Babergh from 1991 to 2008, and the EEFM 2010 projection from 2009 to 2031. This projection takes account of the recession and allows for a period of no/slowing growth and a small decline in jobs before recovery and growth from 2015.

**Figure 3: Historic and Projected Job Numbers 1991 – 2008 and 2009 – 2031**



2.2.33 Having identified the limitations, the forecasts provide ample support for a target of 9,700 jobs (across all employment sectors) for a 20 year plan period. When looking at the forecast pattern of job gain in the coming decade the Autumn 2010 model shows “the most pronounced employment growth to be in and around Cambridge, with west Hertfordshire, Chelmsford and the rural districts between Ipswich and Norwich [including Babergh] among the other areas seeing buoyant growth”.

2.2.34 According to the Autumn 2010 EEFM results, the principal forecast trends for 2010-20 are:

- Most manufacturing sectors will lose around 15% of employment over the decade, with the Metals & Engineering sector losing over 20,000;
- Construction will grow by more than 10%, or around 25,000;
- Business Services sectors are the big gainers through 2010-20, with employment up by about 30%. In absolute terms, it is the lower value-added sector 'Recruitment, Security, Cleaning' and the professional services sector 'Other Tradeable' that show the most dramatic growth – over 50,000 in both cases <sup>2</sup>;
- Most distributive sectors (retail, catering, transport) show employment growth of about 10%, with retailing seeing increases of around 35,000;
- Outside the production sectors (agriculture, extraction, manufacturing), it is the largely public sectors of Public Administration & Defence, Education and Health that show the most pessimistic forecasts for the coming decade, with the first two projected to see employment losses. In the case of Public Admin & Defence, these are around 13,000, and as the EEFM data on the Insight East website show, they all occur by 2015.
- Personal services will see something like 20% employment growth in 2010-20, with this equating to 30,000 workers in the broader 'miscellaneous' category. The main driver here is population growth in the region.

The EEFM informed the Haven Gateway ELR, but this document looked at many other variables, including the current stock, rent levels and availability, supply analysis, strategic sites, and different economic growth scenarios.

2.2.35 We must also consider the geography of the district, and whilst in 2001 a relatively high proportion of people were commuting out of the district to work, towns and businesses in Babergh are close to towns such as Colchester and Ipswich and people in adjoining districts and boroughs commute to these places to work in Babergh. This is particularly relevant in the case of Ipswich, and it must be acknowledged that employment sites in the Babergh Ipswich Fringe will be providing employment that is well located and available for uptake by residents of the Borough.

2.2.36 Analysis of demographic and social data for the district, information on employment by sector, the Employment Land Review, the Retail Study, the Tourism Study, and the EEFM all combine to provide evidence for and confidence in a jobs growth target figure of 9,700 for the district over a twenty year period.

### **Forecasting jobs growth using employment densities**

2.2.37 A methodology has been developed for estimating potential job numbers from new development on an employment density basis. This was used as part of the background work on the RSS. A more recent edition of the Employment Densities Guide, commissioned by the Homes and Communities Agency (HCA) and the Office of Projects & Programme Advice and Training (OFFPAT), has been used with some slight adjustments by Ipswich Borough Council and agreed by the IPA authorities for use in developing a joint strategy for sites related to the A14. This methodology has been applied to the major Local Plan employment sites that remain undeveloped, and to nominal areas of land at each of the three New Directions of Growth referred to in the Submission Draft Core Strategy to find a theoretical number of new B Use Class jobs that could be created on these sites. The results are set out in Appendix 1, and although they are indicative figures only, and should

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<sup>2</sup> But note that the former includes recruitment agencies supplying workers who may be counted in this sector rather than in those in which they work (e.g. agriculture, manufacturing).

be used with caution, it can be seen that there is potential for Babergh to meet and exceed the target of 9,700 jobs in the 20 year plan period through new B Use Class jobs alone on the designated sites.

### **3. Towards a Joint Economic Strategy for Babergh and Mid Suffolk**

3.1 Babergh and Mid Suffolk District Councils have started work on preparing a joint Economic Strategy. The following section sets out the background and framework that will guide the direction of the economic strategy in terms of how it will integrate with and inform planning policy and implementation. The economic strategy is intended to provide a framework to support:

- emerging planning policy;
- working with partners, organisations, neighbours and communities to encourage job creation, enhance and improve economic prosperity, and
- making decisions on key economic priorities for the district.

3.2 From the Babergh perspective the strategy will build on Babergh's corporate objectives and past record of active support for businesses and job creation in the district, and work with other important and relevant strategies at local and sub-regional level.

3.3 The context for the preparation of this strategy is a period of change looking forward and planning for the future. In addition to preparation of Babergh's Core Strategy a significant change taking place at the local level is the integration of Babergh and Mid Suffolk council services. Whilst specific projects will continue in each local authority area, resources and opportunities will be shared as each authority shares a common priority of supporting a strong and growing local economy.

3.4 At a sub-regional level new Local Economic Partnerships (LEPs) have been formed. The New Anglia LEP for Norfolk and Suffolk was formed in November 2010 and aims to "focus on creating the best possible environment for businesses to develop and innovate, creating prosperity and bringing global recognition to our key business sectors".

3.5 Other organisations such as Chambers of Commerce and the Eastern Enterprise Hub also provide advice and support for new and existing businesses, and Babergh will continue to work with and support these partnerships and organisations.

3.6 One constant at the sub-regional level is the Haven Gateway Partnership, formed in 2001 as a partnership between local authorities (Tendring, Colchester, Babergh, Ipswich, Suffolk Coastal and part of Mid Suffolk) and mainly port-focussed businesses at Felixstowe, Harwich and Ipswich which has grown in strength with new partners and experience in leveraging-in and attracting funding for economic development and growth projects in the Haven Gateway area.

3.7 Other changes and developments that will influence the joint economic strategy include the Government's stated intention to prioritise and promote economic growth and recovery. A White Paper (October 2010) Local Growth: realising every place's potential, and a Written Ministerial Statement in March 2011 following the Budget and the publication from HM Treasury & the Department of Business Innovation & Skills (BIS) "Planning for Growth" underline the imperative for economic recovery and will influence planning and economic development strategy and policies. The Draft NPPF also provides a definition of sustainable development that puts economic development at the forefront. The document states that, for the planning system, delivering sustainable development means: planning for prosperity (an economic role); planning for people (a social role); and planning for places (an environmental role).



### 4. Background - Building on what we have now

- 4.1 Babergh District Council has long supported business, economic growth and job creation, as demonstrated by the achievements in economic development over the past decade. Indeed, one of its five corporate themes is “a strong and sustainable Babergh economy”. The economic and political climate has changed and the future is more uncertain, so it is important to establish a corporate strategic direction. The Council will build on past success, and through the Core Strategy will promote jobs-led growth in the district.

#### How we got here

- 4.2 Babergh’s Economic Development Programme (2006/07-2008/09) set out the Council’s interventions under four themes:

- Theme One - Business development
- Two - Place development, including infrastructure
- Theme Three - Community economic development
- Theme Four - Skills development

Examples of how Babergh have been implementing this programme are set out below (more detail is provided in Appendix 2):

- Providing managed workspace for start-up and small companies.
- Supporting regeneration projects.
- Pin Mill, Chelmondiston. Investment in infrastructure has provided opportunities for job creation and retention.
- Business workspace grant.
- Business Start-up and growth loans.
- Industrial estate improvements.
- The Dryports project.
- Local Plan (2006)
- Redevelopment/regeneration options at Brantham
- Application of positive planning policies e.g. Planning Statements on specific sites at Brantham and Wherstead, and the Employment Land Protection Supplementary Planning Document (SPD).
- Skills development and Apprenticeships
- Up-skilling of existing workforces.
- Community Development: Rural Economy Scheme.
- Corporate approach – through the Strategic Procurement Framework

- 4.3 These various ways of supporting and encouraging business are the basis of a comprehensive approach to ensuring economic growth in the district. Shrinking resources and the need to make savings in expenditure means that actions to boost the local economy, such as direct intervention through grant funding, has had to cease. This makes a comprehensive and focused approach to promoting and encouraging economic growth all the more important. The Council intends to continue to promote Babergh as a place to start, expand or relocate business and retain and create jobs by:

- recognising strengths,
- working with others, and
- a clear corporate focus on promoting and encouraging the local economy.

### Recognising strengths

- 4.4 One of the chief strengths in Babergh is diversity within the local economy which means that there is no reliance on one sector. There is a strong manufacturing base with small and medium sized companies in Sudbury, Hadleigh and the industrial estates in the district; and the non-B Use Classes, such as retailing are also very important to the local economy from the large shopping area at Copdock, the town centres of Sudbury and Hadleigh, through to village shops and specialist shops in places like Long Melford and Lavenham. Other important employment sectors in the district include transport and storage, hotels, restaurants and catering, public sector and agriculture.
- 4.5 A number of well-known and global companies have decided that Babergh is the right location for their businesses, as they are able to recruit a loyal and skilled workforce, land costs are relatively low and transport and communications are good. The range of such companies include Philips Avent, Oyster Marine, Prolog, Seimens, Nestle Purina, PepsiCo (Copella) and Celotex.
- 4.6 Tourism and leisure visits have been growing in importance to the local economy over the past few years. The Government's Tourism Policy document, published in March 2011, starts by saying that "Tourism is an often underestimated but tremendously important sector of the UK's economy. It is already one of our six biggest industries and our third-largest export earner. It accounts for almost £90bn direct spend each year, contains over 200,000 businesses and provides 4.4% of our nations jobs."
- 4.7 This is reflected in Suffolk. Tourism is a key economic driver for the county worth £1.75bn to Suffolk's economy. The sector employs 34,000 people spanning 2,000 tourism businesses. The day trip market alone generates £2.4 million each day for the county's economy, and the sector has seen year on year growth of 7.4% (source: Choose Suffolk).
- 4.8 At the local level tourism has tended to be a 'hidden' sector of the local economy, as the impact of tourism and leisure is spread out through a number of different employment sectors. In Babergh district it is mainly revealed through provision of accommodation, food and drink, and some specific visitor attractions and leisure events, such that leisure visits and tourism are important to marine businesses, golf clubs, pubs, shops, restaurants and hotels, and in farm diversification and the growth of farm shops.
- 4.9 The potential of visitor spending is being managed and promoted through special events such as the European Challenge Golf Tour at the Stoke by Nayland Hotel, the Cycle Tour of Britain and the 2012 Olympics. However, visitor/leisure spending is also important to the economy of the Shotley peninsular with marine engineering, sales and chandlery, marinas and other water-based leisure activities located along the south bank of the River Orwell.
- 4.10 Food and drink is part of the leisure/visitor/tourism experience but has importance beyond that, and is a major contributor to the national economy. Places such as the Suffolk Food Hall, Jimmy's Farm, and farm shops at Semer and Assington help promote local produce, and contribute to a decrease in 'food miles'. Local food/drink processing/production encompasses large producers such as Peake Fruit Ltd and companies such as Copella and small businesses raising red poll cattle, and producing items such as wine, eggs, cheese and smoked meats for sale on site or through farmers' markets.

### The South and Heart of Suffolk Tourism Strategy

- 4.11 This is a joint strategy for Babergh and Mid Suffolk to identify opportunities and promote tourism related activities across the two districts that will ensure we maximise the economic benefits of tourism development. This builds on the partnership working of the two

authorities over the last six years. The document is in the early draft stage and will be progressed during 2011/12.

- 4.12 In 2009, tourism in the South & Heart of Suffolk had an estimated total value of £324,868,500 with Babergh accounting for £171,820,500. The industry locally supports 4,609 (Babergh 2,192) FTE's and 5,616 actual tourism related jobs (3,063 Babergh) which is the equivalent of 7.6% of all employment in the two districts (7.3% Babergh).

### **5. Working with others**

- 5.1 In looking forward the Council will continue to work with others in local partnerships and organisations, particularly the Haven Gateway Partnership and the Ipswich Policy Area, the LEP, local communities and business organisations such as the Chambers of Commerce, the Eastern Enterprise Hub and with neighbouring authorities in Suffolk and Essex, and will identify and work with communities and new partners, frameworks, and strategies that may impact on and be of benefit to the economic wellbeing of Babergh District Council. One example of new partnerships is the signing (in July 2011) of a Memorandum of Understanding by Norfolk, Essex and Suffolk County Councils making a commitment to work through schools, colleges and adult re-training to ensure that skills are available locally to take advantage of new jobs that will be created in the energy sector along the coast of East Anglia from offshore wind farms to nuclear power.
- 5.2 One of the council's key priorities is to ensure that the whole of Babergh has good Broadband coverage. It is working with the partners of the Better Broadband for Suffolk, the New Anglia LEP, communities and the private sector to ensure that Babergh businesses, and schools are in the best position to compete in the future.
- 5.3 Increased broadband speeds will also bring benefits to the community in areas such as healthcare provision particularly with increasing delivery of better healthcare online and for social networking and entertainment provision such as video-based entertainment services streamed over the Internet into the home.

### **Local Economic Assessment (LEA) Action Plan and Local Investment Plan (LIP) – examples of joint working.**

- 5.4 The Local Democracy, Economic Development Construction Act April 2010 made provision for the new local authority economic assessment duty. This required from April 2010 all county councils and unitary district councils to prepare an assessment of the economic conditions of their area with implementation by April 2011 with the co-operation of district authorities.
- 5.5 April 2010, saw the start of a series of joint fact finding meetings and workshop events between the county and the seven district authorities and where appropriate involvement of other economic partners including Suffolk Chamber of Commerce, the Haven Gateway Partnership and Choose Suffolk and various local business people to look at key sectors, main towns, market towns and rural areas to identify priorities for Suffolk to aid generation of growth and job opportunities.
- 5.6 In July 2010, The Communities Secretary removed the statutory guidance on local economic assessments which enabled local authorities to decide locally how they monitor their local economy and identify local priorities and solutions. The Local Economic Assessment and Action plan for Suffolk has recently been completed (summer 2011). It outlines the sector priorities for Suffolk as: advanced manufacturing, biotech, creative industries, energy, food, drink and agriculture, ICT, ports and logistics and tourism. Place

development focuses on the towns of Ipswich, Lowestoft and Bury St Edmunds, market towns and the rural economy

- 5.7 The future joint Babergh and Mid Suffolk Economic Development Programme will also focus primarily on these sectors, market town regeneration in Sudbury and Stowmarket and support for the rural economy.
- 5.8 The Homes and Communities Agency (HCA) is working with all Local Authorities as part of the localism agenda to bring forward Local Investment Plans (LIP). This process entails the HCA working with every local authority with responsibility for housing and 'Place Shaping' to identify what the local issues are around land, infrastructure, regeneration, prosperity, employment, housing, training, health and education. This will enable the HCA to distribute grant aid with clear knowledge about local ambitions and national targets. Babergh and Mid Suffolk District Councils have worked together to produce a Local Investment Plan (LIP) for the two authorities which will run from 1 April 2011 to 31 March 2016. The object of the LIP for Babergh is to demonstrate that investment in the Babergh District will:
- meet the Council's corporate objectives of 'Quality Homes Local People Can Afford', develop a 'Strong and Sustainable Babergh Economy', create 'Vibrant Places and Strong Communities' in particular, and also to develop a 'Greener and Cleaner Babergh'
  - meet key objectives of the HCA in delivering sustainable growth and regeneration
  - offer good value for money
  - provide (as far as possible) a robust mechanism for the delivery of projects within Babergh, notwithstanding public sector finance restraints
  - offer potential to work closely with Mid Suffolk District Council to identify and deliver joint projects to the benefit of both Councils and their communities
- 5.9 The LIP provides an overview of the infrastructure, employment and housing issues relating to the Babergh District and draws together the Council's existing priorities and aspirations from current commitments as set out in the approved Babergh Local Plan and the Affordable Housing Programme which it intends to deliver during the period 2011 to 2016. It was approved by Babergh Council in November 2010.

### **Babergh's own actions**

- 5.10 Procurement - As part of a new collaborative procurement initiative Suffolk Sourcing E-Tendering System/Contract Management System has been implemented and will be used by Babergh along with the other Suffolk Authorities to electronically manage procurement activities. This will provide suppliers including local businesses access to all new procurement contracts and provide an early indication of the ones coming up for renewal.
- 5.11 In addition to the above, all companies registered on the Suffolk Business to Business online trading portal which is hosted on the Suffolk Chamber website are made aware of contract opportunities.
- 5.12 Corporately, Babergh's approach to supporting, encouraging and enabling the local economy can be summarised under three headings:
- Promotion
  - Working with others
  - Increased engagement with business representatives' through Business Forums

5.13 The new economic strategy will underpin the Core Strategy and the two strategies will work together to promote and deliver the following actions:

- the new employment areas planned as part of the mixed use allocations in the New Directions of Growth;
- policies to protect existing employment sites;
- designation of strategic employment areas; and
- recognition of and support for our local strengths, particularly in non-B Use Class employment such as tourism, retail and other service sector businesses;
- a positive corporate approach to promoting and supporting the local economy;
- a locally oriented, positive approach towards promoting the rural economy, jobs in rural areas and accordingly the overall vitality of Babergh's considerable rural areas
- support for improved Broadband quality and coverage
- work with others to improve the skills base of the local workforce (SCC Skills For the Future Strategy)

### 6. Summary and Conclusions

6.1 Following the announcement of revocation of Regional Strategies in June 2010 the Council decided not to proceed with the Preferred Options draft of the Core Strategy, and instead to re-consult and engage local communities in determining levels of growth and different options for future development in Babergh. Responses to the 2010 Growth Issues consultation, parish questionnaire and workshops were largely positive. Other alternative proposals for growth in the district were considered to be unsupported by evidence and would not address the issues and needs of the whole district.

6.2 Evidence has been collected over time that shows steady growth in employment across a range of sectors, and the emergence of non-B Use Class employment as important for the district. Studies such as the ELR and various retail studies and town centre health checks have provided information on market demand and the condition and suitability of existing premises in the district. Working through partnerships Babergh also has information on port related employment and the positive ripple-effect for the local economy, and the growing importance of tourism and leisure. This to add to a good range of employment types, including a strong advanced manufacturing sector.

6.3 The new jobs will come through a variety of means over a twenty year period. Geographically land is being made available through allocation of sub-regional strategic sites at Sroughton and Wherstead, locally important sites such as the regeneration project at Brantham, and development of the Chilton Woods allocation. New land will be made available through employment sites and premises on the mixed use urban extension sites (the New Directions of Growth indicated in the Core Strategy), and through existing employers expanding on existing or different employment sites, businesses increasing staffing levels within existing premises, and from a myriad of non-B Use Class jobs with premises ranging from shops, hotels, marinas, offices, pubs and cafes to small studios and workshops and home-working.

6.4 The evidence of our strengths, the emergence of newer sectors, and the geography of the district with its shared boundary with Ipswich, good transport links via the A12 and A14, and proximity to the Port of Felixstowe, and towns such as Colchester, together with consideration of studies and forecasts and ongoing cross boundary work with neighbouring authorities and through partnerships such as the HGP and the LEP, has led the Council to believe that a jobs-led strategy based on an indicative new jobs target of 9,700 over twenty years (nearly 500 per year) is appropriate, achievable, and the right way forward for Babergh district.



### Floorspace, uses and employment calculations for BDC sites

#### Methodology

The following basis for calculating jobs growth numbers was used by Ipswich Borough Council to support their Core Strategy (summer 2011), and by neighbouring councils, including Babergh, for the A14 Study.

English partnerships (2001) and HCA (2010) employment densities guidance gave calculation:

For mixed use site:

$$\frac{\text{Overall Site Area}}{\text{Percentage of site to be used by employment}} = \text{Employment site area}$$

For all sites:

$$\frac{\text{Employment site area}}{\text{Footprint (varies depending on use)}} \times \text{number of storeys} = \text{Total Floor space (Gross External Area)}$$

$$\frac{\text{Total Floor space}}{\text{Employment Density}} = \text{No. of employees}$$

#### Footprint

Use	Footprint
B1 (General Office)	25%
B1 (Light Industry)	25%
B2 (General Industry)	35%
B8 (General Warehousing and Distribution)	35%

#### 1.1.a.1.1.1 Employment Density

Use	HCA 2010 employment density
B1 (General Office)	12sqm
B1 (Light Industry)	47sqm
B2 (General Industry)	36sqm
B8 (General Warehousing and Distribution)	70sqm

**1.1.a.1.1.2 Note 1: The B1 (general office use) density figure of 12sqm applies to headquarters buildings. BDC experience indicates a much lower density usually applies to buildings designed as headquarters buildings (see table below – Fred Olsen building includes board rooms and large meeting rooms, foyer etc. resulting in an employment density of 18sqm).**

## 1.2 Leisure uses

Use	HCA 2010 employment
General hotel (3 star)	1 employee per 2 rooms
4/5 star hotel	1 employee per 1.25 rooms

Example: Hotel in Ipswich (Novotel, Greyfriars Road) has a footprint of 40% of the overall area of the site.

### **The Net Internal Area (NIA)**

The NIA can only be implemented using B1 uses and is calculated at 80% of the total floor space (sqm) (Gross External Area) divided by the employment density (12sqm per employee)

2.

### 3. A1 Use

The figures used provided by English Partnerships and the RDA, stated that superstores/retail warehousing should provide 90sqm per employee.

### **Babergh Sites**

	<u>Site size in hectares</u>
<u>Ipswich Fringe/A14</u>	
Wherstead Park	3.3
Sprites Lane	4
Former Sugar Factory, Sproughton	36
New Direction of Growth - Ipswich Fringe	6
<u>Rest of the District</u>	
Brantham Regeneration	13.5
Chilton Woods	36
New Direction of Growth, Sudbury/Great Cornard	9
Hadleigh	5
New direction of Growth, Hadleigh	6.5
<b>Total</b>	<b>128 (rounded)</b>

## Core Strategy – Supporting Technical Paper

### Use Class Job Numbers Calculations

Site	Employment site size	Footprint	Assumed Use Class mixes for floorspace calculations (m <sup>2</sup> )	Net Internal Area for B1 floorspace	Employment density (m <sup>2</sup> )	Job numbers
Wherstead Park LP EM05	3.3	25%	All B1 = 0.825 x 2 storeys = 16,500m <sup>2</sup> 33% B1 (light industry) 5,445m <sup>2</sup> 67% B1 (general office) 11,055m <sup>2</sup>	4356 8844	47 12	92 737
Sprites Lane LP EM17 - remainder of site following development of Suffolk One (incl. 1.78ha site, 4617m <sup>2</sup> gross external floor area, 2 storey building, 290 jobs planning permission on part of site (B/07/1011 – HQ building for Fred Olsen Cruise Lines Ltd – NB: this building includes large non-office spaces)	4	25%	All B1 (general office) x 2 storeys = 20,000	16,000	12	1,333  See Note 1 above: Using actual job numbers from planning permission of 290 fte + 740 for remainder of site = 1030 or 77% of the assumed number using HCA methodology
Former Sugar Factory, Sproughton LP EM04	36	40% 35% 25%	1ha @ 40% (120 room hotel) 23ha B8 = 80,490 6ha B1 (light industry) = 15,000m <sup>2</sup> 2ha B1 (general office) x 2 storeys = 10,000m <sup>2</sup> 2ha retail 2ha potential other non-B uses (e.g. nursery, pub, fast-food etc)	12000 8000	<i>1 employee per 2 rooms</i> 70 47 12	60 1,150 255 666

## Core Strategy – Supporting Technical Paper

NDoG - Ipswich Fringe	6	25%	All B1 = 1.5 1ha @ 2 storey = 20,000 50:50: - 10,000 B1 (light industry) 10,000 B1 (general office)  0.5ha @ 3 storey B1 (general office) = 3,750	8000 8000  3000	47 12  12	170 666  250
Brantham Regeneration LP EM06	13.5 (2.5 B1 & 11 B2 & B8)	25%  35%	0.5ha B1 (general office) x 2 storeys = 2500m <sup>2</sup> 1ha B1 (light industry) x 2 storeys = 5,000m <sup>2</sup> 5ha B8 = 17,500 6ha B2 = 20,999	2000  4000	12  47 70 36	166  85 250 583
Chilton Woods LP CP01	21 5.4 + 15.8	35% of 5.4  25% of 10  35% of 5.8	5.4ha = 1.89 (18,900m <sup>2</sup> )  33% B2 = 6,237 67% B8 = 12,663  10 B1 = 2.5 x 2 storeys (50,000m <sup>2</sup> )  60% B1 (light industry) = 30,000 40% B1 (general office) = 20,000  B8 2.03 (20,300m <sup>2</sup> )	   24000 16000	36 70  47 12 70	173 181  510 1,333 290
NDoG, Sudbury/Great Cornard	9	35% of B8 and 25% of B1	6ha B8 = 2.1 (21,000m <sup>2</sup> )  2ha B1 (light industry) x 2 storey = 40,000 1ha B1 (general office) x 2 storey = 20,000	32000  16000	70  47 12	300  680 1,333

## Core Strategy – Supporting Technical Paper

Hadleigh LP EM03	5	35% of B2 B8 25% of B1	35% of 3ha = 1.05 (10,500m <sup>2</sup> ) B2 10,500  25% of 2ha = 5,000 x 2 storey B1 (light industry) 5,000 B1 (general office) 5,000	4000 4000	36  47 12	292  85 333
NDoG, Hadleigh	6.5	4.5ha @ 35% B2 & B8  2ha @ 25% B1	3ha B2 = 1.05 (10,000m <sup>2</sup> ) 1.5 B8 = 0.52 (5,200m <sup>2</sup> )  1ha B1 (light industry) x 2 storeys = 0.5 (5,000m <sup>2</sup> ) 1ha B1 (general office) x 2 storeys = 0.5 (5,000m <sup>2</sup> )	4000  4000	36 70  47  12	278 74  85 208 333
<b>Total of B use class jobs</b>						<b>12,558</b>

Note 2: in addition to the Local Plan allocated sites, and assumptions for three New Directions of Growth indicated in the Core Strategy Submission Draft included above, there are land at Notley Enterprise Park (LP policy EM11), 2.5ha of land at Tentree Road, Great Waldingfield (LP policy EM14), allocated land undeveloped at the Chilton Industrial Estate, Sudbury (LP policy EM02), as well as mixed-use possibilities at the Hamilton Road Redevelopment (LP policy SD06).



### APPENDIX 2

Examples of how Babergh have been implementing Babergh's Economic Development Programme (2006/07-2008/09) are set out below:

- **Providing managed workspace for start-up and small companies.** The Council operates two managed workspace centres in partnership with Suffolk County Council, with day to day management provided by the Norfolk and Waveney Enterprise Services: the South Suffolk Business Centre at Sudbury and the Hadleigh Business and Learning Centre. These centres offer a vital first step and early growth base to new companies to support faster growth and enable them to become fully 'commercialised'. Over the last five years the occupancy levels at the two centres averaged 86% in Sudbury and 78% Hadleigh.
- **Supporting regeneration projects.** A number of regeneration projects have been implemented including a three year Heritage Economic Regeneration Scheme (HERS) in Sudbury which delivered £600,000 of improvements to part of the historic centre of the town. The scheme was primarily aimed at commercial premises, including shops and offices and has restored and safeguarded a number of key properties to enhance the town centre. Work continues in Sudbury to link the existing town centre with the Hamilton Road Quarter with production of a Development Brief and funding of studies working towards a marketing strategy to optimise opportunities for redevelopment and expansion of the town centre.
- **Pin Mill, Chelmondiston.** Investment in infrastructure at this site has provided opportunities for job creation and retention in terms of marine engineering, boat maintenance and repair and wider tourism and visitor services, and will help the long term sustainability of the site by providing revenue to manage the area.
- **Business workspace grant.** Grant funding was provided for 20 years up until 2009 to support the Council's policies of increasing the supply of workspace in the district, where appropriate, by making a contribution towards the costs of converting vacant commercial properties for new employment uses. The grant funding scheme has assisted directly in bringing forward some 6500 square metres of new floorspace and £157,817 of funding has resulted in £1,223,793.00 of private investment which has provided workspace for in excess of 260 full-time equivalent jobs. Conversions schemes carried out with grant funding include redundant farm buildings and underused buildings in the countryside.
- **Business Start-up and growth loans.** 11 new business start-ups and 18 small businesses have been directly supported through small interest free business loans since the introduction of the scheme in 1999. Take up of the scheme during 2009 was very low. The level of funding available was a maximum of £5k and it is felt that this was too low to attract some companies, and very small or start up businesses were reluctant to take on additional commitments during the recession. Through working with the Babergh East LSP a grant funding initiative for 2010/11 was introduced to assist businesses in the East of Babergh and the scheme has funded 5 new start-up businesses to date with four of these being created following redundancies.
- **Industrial estate improvements.** Babergh has supported industrial estate improvements at the Sterling Complex on the Farthing Road industrial estate at Sproughton through external matched funding and by working with the companies on that part of the estate to install new cctv cameras, signage and security fencing. The Council provides and maintains industrial estate signage where appropriate, including estates at Sproughton, Sudbury, Hadleigh and Acton.
- **Dryports** is a four year project (March 2008 to July 2012) to promote the sustainable growth of the Port of Felixstowe and modal shift which has a 'positive ripple' effect on Babergh, particularly the south and southeast area with good links to the A14 and A12.

- **Local Plan** (2006) - employment allocations in Sudbury (40 acres at 'Chilton Woods') and Hadleigh (15 acres adjoining the bypass) that will provide expansion opportunities for existing Babergh companies and inward investors, and on the edge of Ipswich, three sites of importance to the greater Ipswich area two of which are available for major employment uses (at Sproughton and Wherstead), and some space remaining at Copdock following completion of Suffolk One. Policies to protect sites and premises for local businesses to expand and to provide space for new businesses and inward investment.
- **Redevelopment/regeneration options** for the employment site at Brantham are being explored, including working with a developer on a joint evidence base to bring forward development of the site to help retain existing jobs, provide new employment opportunities, and provide new homes to regenerate an ageing site.
- **Application of positive planning policies.** The Local Plan and Development Management service has been supplemented with Planning Statements on specific sites at Brantham and Wherstead, to steer development and to help companies expand and relocate in the district. The Council is committed to retaining existing employment sites, including in rural areas, to safeguard employment opportunities across the district, and as part of its commitment to this it has produced the Employment Land Protection Supplementary Planning Document (SPD).
- **Skills development and Apprenticeships.** Working in partnership with Suffolk County Council, the West Suffolk and Babergh East LSPs and training providers, a very positive approach has been taken to help support young people (16-24 year olds) into the work place whilst gaining a recognised qualification through part wage subsidy apprenticeship schemes. The financial support has also facilitated small and medium sized businesses to consider a placement for the first time. 23 placements have been created across Babergh through the above schemes since 2010.
- **Upskilling of existing workforces.** The Council continues to work with the West Suffolk LSP to help promote and deliver a range of courses to upskill workers of local businesses and voluntary organisations in the West Suffolk Area. The project seeks to engage with 200 learners and 50 businesses overall. (8 courses have been provided in Sudbury in the first quarter of 2011)
- **Community Development: Rural Economy Scheme.** 16 projects in rural areas have been supported since 2005 through partnership initiatives (with Suffolk ACRE, Suffolk County Council and the other local authorities in Suffolk), including the Village Shops Scheme replaced by the Rural Economy Scheme and Enterprising Communities programme to help assist the sustainability of vital local services, such as village shops, post offices and pubs, the scheme was also open to social enterprises, charities and voluntary and community groups which run or were intending to create an economically viable community shop for the benefit of the rural community. These projects include, 3 community shops located in Sproughton, Monks Eleigh, and Stutton; 4 post offices, Bildeston, Elmsett, Stratford St Mary and Shotley; a pub diversification at the White Horse Hitcham to provide B & B accommodation in the village and to support the viability of the existing pub business; the Bridge Project Sudbury and a bakery in East Bergholt.
- **Corporate approach.** As well as support through the economic development service, and enabling planning policies, Babergh District Council has a role to play in corporately supporting and assisting businesses and employers through such services as waste collection, food hygiene, licensing and registration, etc. Supporting the local economy is a key aim of the council's procurement strategy and processes. The Strategic Procurement Framework focuses on three key areas: value for money, savings and efficiencies; supporting the local economy; and environmental, economic and social sustainability. A high percentage of contracts (80% 2010) have been awarded to local suppliers and contractors.