Bournemouth, Dorset and Poole Workspace Study Employment Land Projections: evidence update 2012 – extract for North Dorset

1 Introduction

This quantitative evidence base update follows the process established in the 2008 Workspace Strategy (by GVA Grimley consultants). This 2012 update includes the following changes:

- Updated employment/economic projections;
- Industrial sectors and definitions have been changed from SIC 2003 to SIC 2007 incorporating some revision of allocation to land use class as appropriate based on new SIC 2007 codes;
- There has been a change of geography from Travel to Work Areas (TTWAs), to the Strategically Significant Cities and Towns geographies (SSCTs) and DCC Dorset district and borough figures have been provided alongside these;
- Employment densities have been updated;
- Plot ratios have been updated;
- An allowance for flexibility has been added in the 2012 revision;
- Phasing is in two ten year periods.

The projections derived from the 2008 study are shown in Table 1 below.

Table 1 – 2008 Workspace Strategy employment land forecasts, 2006-26

	Office	Industrial	Windfall losses	Churn	Total
Christchurch	2.0	-5.0	4.6	2.1	3.6
East Dorset	3.6	11.1	5.6	1.2	21.5
North Dorset	5.0	-2.6	15.0	8.0	25.3
Purbeck	3.9	-2.7	8.5	1.8	11.5
West Dorset	9.3	2.0	18.1	10.2	39.6
Weymouth & Portland	1.4	2.1	2.0	0.1	5.6
DCC Dorset	**25.2**	**4.9**	**53.8**	**23.4**	**107.1**
Bournemouth	21.9	4.1	12.1	2.1	40.2
Poole	23.9	-9.6	13.2	9.5	36.9
BDP	**70.9**	**-0.6**	**79.0**	**34.9**	**184.2**
Bournemouth TTWA	28.8	10.5	22.2	5.3	66.8
Poole TTWA	24.4	-11.5	21.6	11.3	45.9
Dorchester & Weymouth TTWA	9.3	2.4	20.1	10.3	42.1
Rural Dorset	8.5	-2.0	15.0	8.0	29.4

Source: 'Bournemouth Dorset Poole Workspace Strategy and Delivery Plan', October 2008, GVA Grimley Ltd, Table 16 and Appendix D

How the Workspace Study evidence update report should be used

This study applies a standard methodology to provide estimates that can be used alongside other tools for determining future employment land requirements. The projections assume a return to stable, positive employment and economic growth: no allowance is made for the possibility of a return to recession in the immediate future or of any future downturn or boom in the economy. Similarly, no account can be taken of potential changes in local policy that may affect land requirement.

The Localism Act 2011 introduced a 'duty to co-operate' which applies when local authorities prepare local plans. The National Planning Policy Framework (NPPF) also requires plans to be 'positively prepared' and 'effective' based on joint working on cross-boundary strategic priorities. The main Workspace Study evidence update report provides a strategic overview of the need for and supply of employment land over the period 2011 to 2031. This summary report shows how North Dorset contributes to the overall picture. It indicates that a higher level of employment land can be provided than is required for the District. This provision could contribute towards meeting needs over the wider functional economic market area, including both the needs of Rural Dorset and the nearby SSCTs.

2 Methodology for Estimating Employment Land Demand

A: Projections for employment growth 2011-2031 give **employment demand:** the latest Autumn 2011 projections from Experian (for the South West Observatory) have been used in this exercise. District level projections were estimated by Dorset County Council and these indicate growth of about 4,400 full time equivalent employees in North Dorset over 2011-2031, see Appendix A in the main report.

B: Employment demand is converted to **Land Use Class (LUC)** (Office, Other business, Warehousing) using a matrix based on that used in the 2008 Workspace Strategy (updated to SIC 2007).

C: Employment demand by LUC is converted to **floorspace requirement** using worker densities by LUC (FTE per sq m) from Drivers Jonas Deloitte:

- The employment density for office use is higher than that used in 2008: this would result in a lower baseline estimate for this LUC.
- The employment densities for both other business and warehousing are lower: this would result in a higher baseline estimate for these LUCs.

D: This floorspace requirement is converted to a **baseline land requirement (ha)** using plot ratios by LUC: plot ratios are calculated from employment land completions data (including outstanding commitments) from the Bournemouth, Dorset and Poole local authorities.

Allowances are then added:

E: Windfall losses
Employment land that could potentially be lost to non-B use is projected based on the median over the last six years.

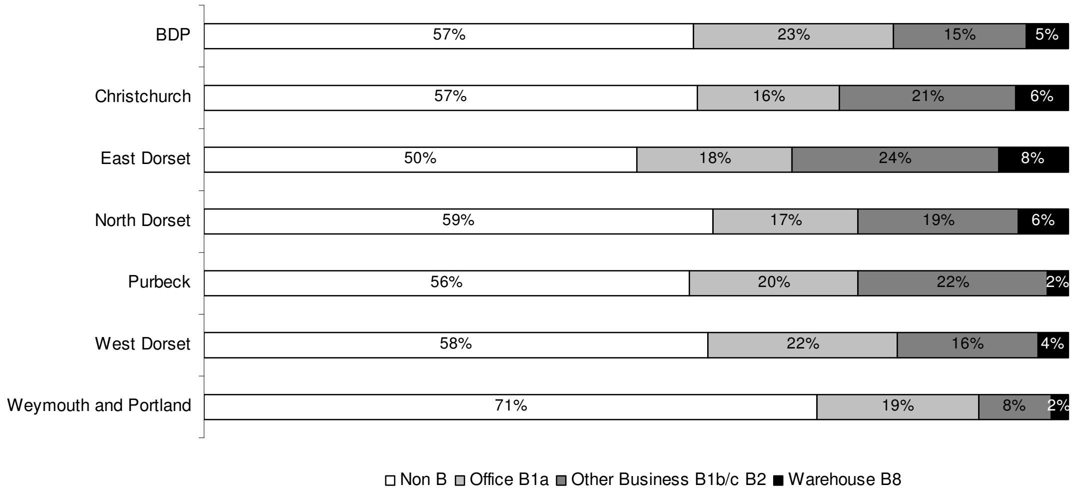
F: Churn
Vacant land required for smooth market function is estimated using the annual average net take-up of employment land: two year allowance.

G: Flexibility
A margin is allowed for competition in market at 10% of baseline requirement (standard) or 20% of baseline requirement.

This baseline land requirement plus allowances gives:

H: Final land requirement

Figure 1 – 2010 Employment by Land Use Class



Source: Business Register and Employment Survey, 2010, ONS

In North Dorset, according to the latest employment statistics, the percentage of employees in Non-B sectors is just above average for the Bournemouth, Dorset and Poole area (BDP). Employment in Office sectors is below average whereas employment in Other business is above average and employment in Warehouse sectors is much in line with the average.

3 Baseline Results

Overall it is estimated that around 9.5 ha is required as a baseline projection over 2011-2031 in North Dorset before any allowance for windfall, churn or flexibility. Almost all of this is for office uses (nine hectares) with 0.8 ha for industrial use (Other business plus Warehouse). North Dorset lies outside both the Dorset SSCTs and entirely within the Rural Dorset area. The location of the SSCTs is shown in Figure 2 of the main report.

Comparing this with the 2008 Workspace Strategy, the figures are higher. For North Dorset, the earlier baseline total was 2.4 ha made up of five hectares Office and -2.6 ha Industrial (Other business plus Warehouse). With the current less buoyant economy, lower productivity is projected and this results in the requirement for a greater number of employees to produce even a lower amount of GVA. More details can be found in Appendix A of the main report. The source of the projections should also be taken into consideration as they are from different forecasting houses and should not really be compared.

Table 2 – Baseline projections:

2011-2031	North Dorset	Rural Dorset Area	BDP
Baseline Office Use	8.7	17.1	105.5
Baseline Industrial Use	0.8	16.9	74.8
Baseline total:	**9.5**	**34.0**	**180.3**

Source: Dorset County Council

4 Allowances

Three allowances are added to the baseline results:

- **Windfall** – this takes account of the likelihood of some employment land being lost to other uses and gives an estimated requirement for an additional 13.4 ha in total over 2011-2031. In 2008, a windfall allowance of 15.0 ha over 2006-2026 was included.

- **Churn** – a further 5.6 ha is required for smooth market function. In 2008, a churn allowance of eight hectares was included.

- **Flexibility at 10% or 20%** – this results in a further demand for 1.0-2.1 ha of employment land. No flexibility allowance was made in the 2008 Workspace Strategy.

5 Final Results

The final results are given in three sets:
1) with no allowance for flexibility giving the nearest match to the 2008 Workspace Strategy;
2) with a flexibility allowance of 10 per cent;
3) with a flexibility allowance of 20 per cent.

With windfall and churn added to the baseline projection, there is an estimated requirement for 28.5 ha of employment land over 2011-2031 in North Dorset. This is just over the 25.3 ha indicated in the 2008 strategy for 2006-2026.

With flexibility at 10%, the requirement rises to 29.5 ha.

With flexibility at 20%, the requirement rises to 30.5 ha.

Table 3 – Baseline projections 2011-2031

	Christchurch	East Dorset	North Dorset	Purbeck	West Dorset	Weymouth & Portland
Office	9.6	9.3	8.7	3.2	11.5	5.7
Industrial	7.8	7.4	0.8	10.9	8.4	1.6
Baseline B use land requirement 2011-2031 (ha)	**17.4**	**16.7**	**9.5**	**14.1**	**19.8**	**7.3**
Windfall losses	0.7	1.6	13.4	1.3	11.9	7.0
Churn	1.7	1.5	5.6	1.9	7.9	0.8
1) Total B use land requirement (ha) 2011-31	**19.9**	**19.8**	**28.5**	**17.2**	**39.7**	**15.2**
Flexibility at 10%	1.7	1.7	1.0	1.4	2.0	0.7
Flexibility at 20%	3.5	3.3	2.1	2.8	4.0	1.5
2) Total B use land requirement (ha) with 10%	**21.6**	**21.5**	**29.5**	**18.7**	**41.6**	**15.9**
3) Total B use land requirement (ha) with 20%	**23.4**	**23.2**	**30.5**	**20.1**	**43.6**	**16.7**

6 Demand by Phased Years

In line with the pattern of projected employment growth, the greatest baseline demand for employment land is expected to occur in the first ten year period (2011-2021) in all districts – at or above two-thirds of the total. North Dorset exceeds this average weighting to the first decade with a projected negative requirement in the second decade.

Demand was also front-loaded in the 2008 strategy.

Table 4 – Baseline demand by phased periods

	2011-2021	2021-2031	*2011-2031*	% of growth in 2011-21 period
Christchurch	11.4	6	17.4	66%
East Dorset	14.3	2.5	16.7	86%
North Dorset	10.4	-0.9	9.5	109%
Purbeck	9.5	4.6	14.1	67%
West Dorset	17.3	2.5	19.8	87%
Weymouth & Portland	5.4	1.9	7.3	74%

Table 5 – Final demand by phased periods: with no allowance for flexibility

	2011-2021	2021-2031	*2011-2031*
	ha	ha	*Total ha*
Christchurch	12.7	7.2	19.9
East Dorset	15.8	4.0	19.8
North Dorset	19.9	8.6	28.5
Purbeck	11.1	6.2	17.2
West Dorset	27.2	12.4	39.7
Weymouth & Portland	9.4	5.8	15.2

Table 6 – Final demand by phased periods: 10% flexibility

	2011-2021	2021-2031	*2011-2031*
	ha	ha	*Total ha*
Christchurch	13.8	7.8	21.6
East Dorset	17.2	4.2	21.5
North Dorset	20.9	8.6	29.5
Purbeck	12	6.6	18.7
West Dorset	29	12.7	41.6
Weymouth & Portland	9.9	6	15.9

Table 7 – Final demand by phased periods: 20% flexibility

	2011-2021	2021-2031	*2011-2031*
	ha	ha	*Total ha*
Christchurch	14.9	8.4	23.4
East Dorset	18.7	4.5	23.2
North Dorset	21.9	8.6	30.5
Purbeck	13	7.1	20.1
West Dorset	30.7	12.9	43.6
Weymouth & Portland	10.5	6.2	16.7

Office demand stays fairly even across the two decades in North Dorset whereas industrial demand falls off in the second decade, as in BDP as a whole.

Table 8 – Baseline demand by phased periods: office demand is fairly even

Office baseline	**2011-21**	**2021-31**	***2011-31***
	ha	**ha**	***Total ha***
Christchurch	4.7	4.9	*9.6*
East Dorset	4.6	4.7	*9.3*
North Dorset	4.3	4.3	*8.7*
Purbeck	1.6	1.6	*3.2*
West Dorset	5.6	5.8	*11.5*
Weymouth & Portland	2.8	2.9	*5.7*

Table 9 – Baseline demand by phased periods: industrial demand falls off

Industrial baseline	**2011-21**	**2021-31**	***2011-31***
	ha	**ha**	***Total ha***
Christchurch	6.7	1.1	*7.8*
East Dorset	9.7	-2.2	*7.4*
North Dorset	6.0	-5.2	*0.8*
Purbeck	7.9	3.0	*10.9*
West Dorset	11.7	-3.3	*8.4*
Weymouth & Portland	2.6	-1.1	*1.6*

7 Employment Land Supply

About 50 ha of employment land will be made available over 2011-2031 in North Dorset. Full details of sites are given in Appendix D of the main report. All of this land is expected to come forward in the short-medium term ie over the next ten years. 11.7 ha of available employment land is on large sites of 10 ha or more.

In the 2008 strategy, over 2006-2026 a total supply of about 43 ha of consolidated available land was identified with about four-fifths of this coming forward in the short-medium term (within the next five years).

On the whole, in the 2011-31 period looking at North Dorset in isolation, the data suggest a potential over-supply of available land relative to projected demand. However, over the extent of the more rural area of Dorset, the co-operative approach will mean that employment land here will help to meet the requirements of the wider functional economic market area.

Similarly, in the 2008 strategy, overall in the period 2006-2026 the supply of employment land in North Dorset alone was expected to exceed demand.

Table 10 – Comparing demand with supply at 10% and 20% flexibility and with no flexibility

10%	**Phasing: 2011-21**	**Phasing: 2021-31**	***Total: 2011-31***
North Dorset	**ha**	**ha**	**ha**
Demand	20.9	8.6	*29.5*
Supply	49.6	0.0	*49.6*
Balance	28.7	-8.6	*20.1*
20%	**Phasing: 2011-21**	**Phasing: 2021-31**	***Total: 2011-31***
North Dorset	**ha**	**ha**	**ha**
Demand	21.9	8.6	*30.5*
Supply	49.6	0.0	*49.6*
Balance	27.7	-8.6	*19.1*
No flexibility	**Phasing: 2011-21**	**Phasing: 2021-31**	***Total: 2011-31***
North Dorset	**ha**	**ha**	**ha**
Demand	19.9	8.6	*28.5*
Supply	49.6	0.0	*49.6*
Balance	29.8	-8.6	*21.2*

Anne Gray
Dorset County Council
Research & Information Group
April 2012