Bournemouth, Dorset and Poole Workspace Study Employment Land Projections: evidence update 2012 – extract for West 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. West Dorset forms part of both the Weymouth & Dorchester SSCT area and the Rural Dorset area and will need to take account of demand over these wider functional economic market areas.

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 11,200 full time equivalent employees in West 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.

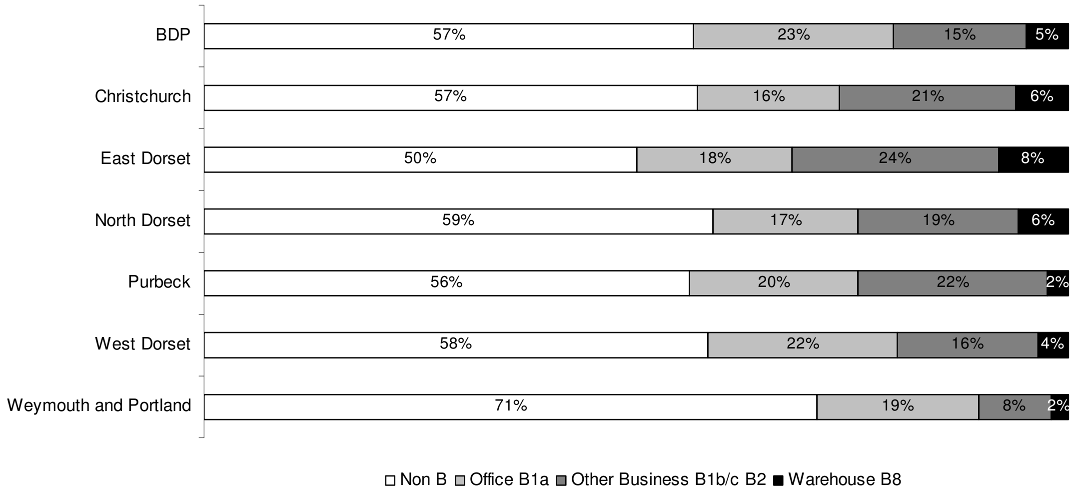
F: **Churn**
Vacant land required for smooth market function is estimated using the annual average net take-up of employment land: two year allowance.

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

3 Baseline Results

Overall it is estimated that around 20 ha is required as a baseline projection over 2011-2031 in West Dorset before any allowance for windfall, churn or flexibility. More than half of this is for office uses (11.5 ha) with eight hectares required for industrial use (Other business plus Warehouse). Most of West Dorset lies outside the Dorset SSCTs but a small portion (Dorchester and Chickerell) falls within the Weymouth & Dorchester SSCT. 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 West Dorset, the earlier baseline total was 11.3 ha made up of nine hectares Office and two hectares 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	West Dorset	Weymouth & Dorchester SSCT	Rural Dorset Area	BDP
Baseline Office Use	11.5	12.1	17.1	105.5
Baseline Industrial Use	8.4	4.1	16.9	74.8
Baseline total:	**19.8**	**16.2**	**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 11.9 ha in total over 2011-2031. In 2008, a windfall allowance of 18.1 ha over 2006-2026 was included.

- **Churn** – a further 7.9 ha is required for smooth market function. In 2008, a churn allowance of 10.2 ha was included.

- **Flexibility at 10% or 20%** – this results in a further demand for 2.0-4.0 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 40 ha of employment land over 2011-2031 in West Dorset.
This is in line with the 39.6 ha indicated in the 2008 strategy for 2006-2026.

With flexibility at 10%, the requirement rises to 42 ha.

With flexibility at 20%, the requirement rises to 44 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. West Dorset exceeds this average weighting to the first decade (87%).

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 West 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 32 ha of employment land will be made available over 2011-2031 in West Dorset. Full details of sites are given in Appendix D of the main report. Just over half of this land will come forward in the short-medium term ie over the next ten years (52%). There is no available employment land on large sites of 10 ha or more.

In the 2008 strategy, over 2006-2026 a total supply of about 29 ha of consolidated available land was identified with almost all of this coming forward in the short-medium term (within the next five years).

On the whole, in the 2011-31 period looking at West Dorset in isolation, the data suggest a potential under-supply of available land relative to projected demand in the short-medium term. As a part of the Weymouth & Dorchester SSCT and, to a large extent, the more rural part of Dorset, the co-operative approach will mean that employment land elsewhere in the wider functional economic market areas may become available to help to meet the requirements of this district. However, in both the Weymouth & Dorchester SSCT itself and in neighbouring Weymouth & Portland Borough there is also a potential under-supply of employment land. In addition, West Dorset's wide geographical area may also make such co-operation a challenge.

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

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***
West Dorset	**ha**	**ha**	**ha**
Demand	29.0	12.7	*41.6*
Supply	16.7	15.2	*31.9*
Balance	-12.3	2.5	*-9.8*
20%	**Phasing: 2011-21**	**Phasing: 2021-31**	***Total: 2011-31***
West Dorset	**ha**	**ha**	**ha**
Demand	30.7	12.9	*43.6*
Supply	16.7	15.2	*31.9*
Balance	-14.0	2.3	*-11.8*
No flexibility	**Phasing: 2011-21**	**Phasing: 2021-31**	***Total: 2011-31***
West Dorset	**ha**	**ha**	**ha**
Demand	27.2	12.4	*39.7*
Supply	16.7	15.2	*31.9*
Balance	-10.5	2.8	*-7.8*

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