Bournemouth, Dorset and Poole Workspace Study

Employment Land Projections:

evidence update 2012 – extract for Weymouth & Portland

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. Weymouth & Portland 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 4,900 full time equivalent employees in Weymouth & Portland 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.

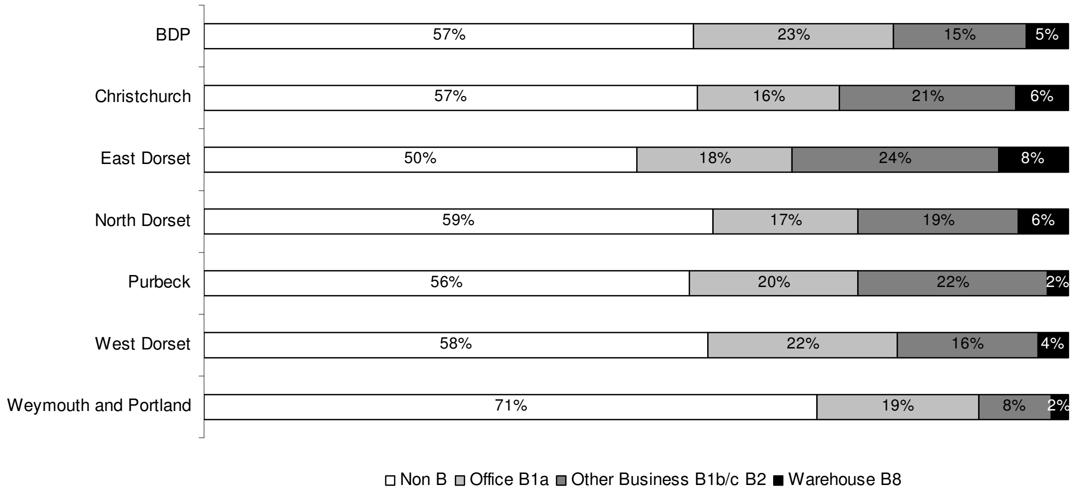
F: Churn
Vacant land required for smooth market function is estimated using the annual average net take-up of employment land: two year allowance.

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 Weymouth & Portland, according to the latest employment statistics, the percentage of employees in Non-B sectors is considerably above average for the Bournemouth, Dorset and Poole area (BDP). Employment in the other land use classes is below average.

3 Baseline Results

Overall it is estimated that around seven hectares is required as a baseline projection over 2011-2031 in Weymouth & Portland before any allowance for windfall, churn or flexibility. Three-quarters of this is for office uses (six hectares) with about two hectares required for industrial use (Other business plus Warehouse). Portland lies outside the Dorset SSCTs but Weymouth 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 Weymouth & Portland, the earlier baseline total was 3.5 ha made up of 1.4 ha 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

2011-2031	Weymouth & Portland	Weymouth & Dorchester SSCT	Rural Dorset Area	BDP
Baseline Office Use	5.7	12.1	17.1	105.5
Baseline Industrial Use	1.6	4.1	16.9	74.8
Baseline total:	**7.3**	**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 seven hectares in total over 2011-2031. In 2008, a windfall allowance of two hectares over 2006-2026 was included (note: no historic land loss data for Weymouth & Portland were then available).

- **Churn** – a further 0.8 ha is required for smooth market function. In 2008, a churn allowance of 0.1 ha was included.

- **Flexibility at 10% or 20%** – this results in a further demand for 0.7-1.5 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 15 ha of employment land over 2011-2031 in Weymouth & Portland.
This is considerably higher than the 5.6 ha indicated in the 2008 strategy for 2006-2026.

With flexibility at 10%, the requirement rises to 16 ha.

With flexibility at 20%, the requirement rises to 17 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. Weymouth & Portland exceeds this average weighting to the first decade (74%).

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 Weymouth & Portland 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 10 ha of employment land will be made available over 2011-2031 in Weymouth & Portland. Full details of sites are given in Appendix D of the main report. All of this land is expected come forward in the short-medium term ie over the next ten years. 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 almost 18 ha of consolidated available land was identified with three-quarters of this coming forward in the short-medium term (within the next five years).

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

In contrast, in the 2008 strategy, overall in the period 2006-2026 the supply of employment land in Weymouth & Portland alone was expected to exceed demand.

Table 10 – Comparing demand with supply at 10% and 20% flexibility

10%	**Phasing: 2011-21**	**Phasing: 2021-31**	***Total: 2011-31***
Weymouth & Portland	**ha**	**ha**	**ha**
Demand	9.9	6.0	*15.9*
Supply	10.4	0.0	*10.4*
Balance	0.5	-6.0	*-5.5*
20%	**Phasing: 2011-21**	**Phasing: 2021-31**	***Total: 2011-31***
Weymouth & Portland	**ha**	**ha**	**ha**
Demand	10.5	6.2	*16.7*
Supply	10.4	0.0	*10.4*
Balance	-0.1	-6.2	*-6.3*
No flexibility	**Phasing: 2011-21**	**Phasing: 2021-31**	***Total: 2011-31***
Weymouth & Portland	**ha**	**ha**	**ha**
Demand	9.4	5.8	*15.2*
Supply	10.4	0.0	*10.4*
Balance	1.0	-5.8	*-4.8*

Anne Gray
Dorset County Council, Research & Information Group
April 2012