Nathaniel Lichfield & Partners
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# Employment & Retail Needs Assessment

Castle Point Borough Council

August 2012

13011/MS/JR

**FINAL REPORT**

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# Executive Summary

This assessment of future employment, retail, and commercial leisure space requirements in Castle Point was commissioned by the Borough Council to form part of the evidence base for its Local Plan and inform its provision of land for employment and retail uses in particular. An integrated approach has been taken by considering the needs of these different sectors together within this study.

The study has assessed future requirements for these uses under a range of different growth scenarios, including scenarios based on economic growth, past development trends and different levels of housing and population growth. The positive and negative implications of each scenario was examined in terms of employment, local economic growth and out-commuting to work, and how any negative impacts could be managed through planning policy approaches.

For retail uses, the study assesses future needs for retail, commercial leisure, office and other main town centre uses within the Borough's four main centres, an appropriate scale of development for each centre and floorspace thresholds for requiring impact assessment. It also establishes the type and scale of additional retail provision needed within out of centre locations and local shopping parades and reviews the future role of these local parades.

## Economic Context

Castle Point is a small borough in South Essex, on the Thames Estuary and within the Thames Gateway South Essex sub-region. The Borough has been performing reasonably in terms of unemployment and new firm formation but has also been an area with falling employment, a lower skilled workforce and lower paid local jobs. Its economy is also over-reliant on public sector jobs with relatively low representation in higher growth or knowledge based sectors. Other than public sector jobs, only the retail and construction sectors have higher local concentrations than the regional average while manufacturing has a below average share of jobs.

In terms of the local retail hierarchy, Canvey Island, Hadleigh, South Benfleet and Tarpots are the main shopping centres, followed by a number of Local Shopping Parades. All these centres perform a relatively local shopping function, with a fairly limited range of comparison goods retailers. They also compete with major shopping destinations outside the borough, including Basildon, Lakeside Shopping Centre and Southend-on-Sea, particularly for comparison retailing.

## Development Trends

Castle Point's employment space is predominantly industrial, with a relatively small level (7%) of office provision. The Borough has less employment space overall than all neighbouring boroughs, and a smaller proportion of commercial office space than all nearby districts except Thurrock.

The Borough has been losing B class space over the past decade, almost all of this industrial space, while the region has seen an increase. Castle Point has a fairly ageing stock of employment space and a lack of modern business premises relative to other parts of the region. Vacancy of office space is at normal levels but industrial vacancy is very low. The level of new development has also been very low and most of this has been manufacturing space, with only a modest amount of offices. However, losses to other uses have been low.

Combined with the borough's own characteristics, much larger amounts of industrial or office space in adjoining boroughs are likely to make it more difficult for Castle Point to compete for new investment and relocations, or to develop a significant office sector of its own. There are large developments underway in Southend, Basildon and Thurrock, some of which may provide some spin-off benefits to Castle Point but this is uncertain.

### Commercial Property Market

There is good demand for industrial space in Castle Point generally, but little available supply and much of the stock is old and unsuited to current needs, with few larger units and little modern stock. There are indications that local firms may find it hard to expand or upgrade premises without moving out of the Borough. The main supply of industrial sites is in Canvey Island, away from strategic roads and the areas of stronger demand.

Demand for office space in this area is low, predominantly for small units by local firms. The supply is also very low, predominantly small older premises above shops and with very few new premises being built. Adjoining areas have more office space and better quality premises. Castle Point also has very limited provision for small, start-up businesses compared with adjoining boroughs.

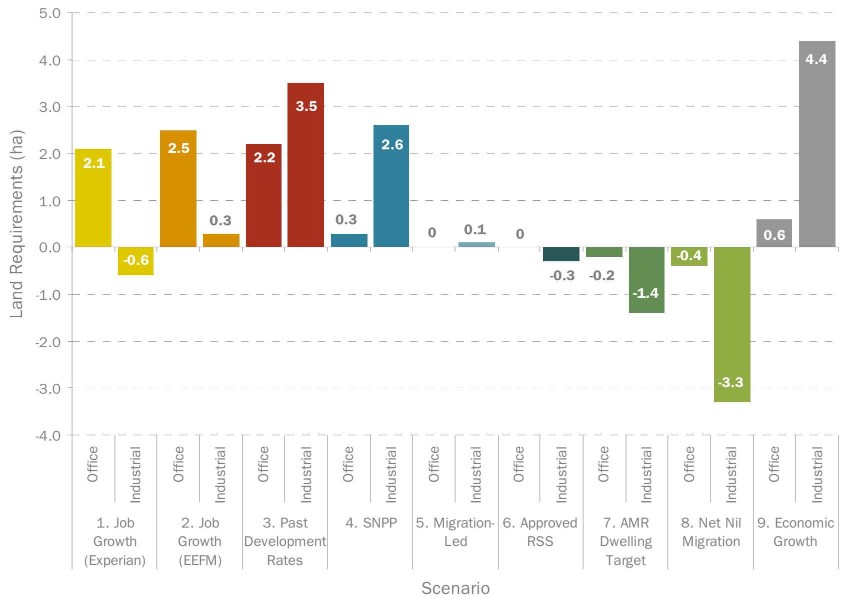
Based on recent surveys of businesses, most firms based in Castle Point appear to find their existing premises adequate for their needs and able to find premises to expand into if needed. Most firms were based there for historic reasons and because of locally based staff. However, much of the stock is not seen as being of high quality and about 10% were unable to find suitable units and were considering locating outside the Borough. Also, only 20% of firms were likely to expand in future.

### Future Requirements

Future requirements for employment space were assessed under a range of economic scenarios and approaches, including both lower and higher growth situations. The estimates of how much employment land will be required in Castle Point in future vary significantly, depending on the approach and scenario used (Figure 1).

For industrial space, the estimated range was between -3.3 ha and +4.4 ha, reflecting differences between economic growth and demographic based forecasts. The job based estimates indicate a relatively low requirement (ranging from - 0.6 to +0.3 ha), but it could be argued that such an approach works less well in small economies such as this. The estimate based on past trends continuing indicates a need for some 3.5 ha and this is of a similar magnitude to the SNPP and economic growth based forecasts. As the past trend based approach reflects a period of low development during recession as well as the relatively buoyant period before 2007, it may, provide a reasonable basis for future planning for a period where the outlook is for slow growth for some years.

Figure 1 Gross Land Requirements to 2031




Source: NLP analysis Totals rounded

For office space, the estimates also vary greatly although the amounts are small. Excluding the lower extremes based on net nil migration or very low housing growth, a requirement of between 0.6 ha and 2.5 ha is indicated. The local office market is relatively small and undeveloped and affected by space in larger centres such as Basildon. However, the higher end of this range is close to the estimate based on the level of development was achieved in Castle Point in the past (2.2 ha) and the latter may not be an unreasonable target for a 19 year period if the borough has aspirations to develop into more knowledge based activities and to help reduce out-commuting.

It is also important to note that most of the demographic/housing led demand estimates result in a negative requirement for employment space in future compared with the current position. This largely reflects an ageing population, which, for the modest increase in housing proposed, produces a lower number of working age residents and hence a lower demand for future jobs and employment space. It is understood that Castle Point Council may be inclined towards a scenario based on 200 dwellings being built per annum. If this were the case, it would imply less employment space being needed in future and fewer local workers to support economic growth in the borough.

## Assessment of Existing Employment Sites

The suitability to meet future needs of 27 existing or allocated employment sites in the Borough was assessed. Based on this, Castle Point contains a reasonable range of industrial sites of differing quality and type but a very limited range of office sites in the urban areas of Thundersley, South Benfleet, Hadleigh and Canvey Island.

Of the sites assessed through this study, around 72% of the employment land area is located within the Canvey Island area, with some 27% in Thundersley, and less than 1%

within the South Benfleet and Hadleigh urban areas. Much of the employment space is concentrated in three main areas – the Manor Trading Estate, Charfleets Industrial Estate and the Stadium Way employment area.

The assessment identified six existing sites of good quality making up just 6% of total supply. In addition, 19 of the assessed sites are of average quality (providing 170 ha) and two sites (2.3 ha) of lower quality. The great majority (98%) of the current supply of employment land is therefore of good or average quality, although mostly in the average category. Some of the employment sites currently have planning permission for retail or residential use, making future industrial development on them unlikely in the current market and potential reducing employment land supply over time.

There appear to be very few good existing office sites in the Borough, and these are primarily within Thundersley and Hadleigh with extremely limited provision elsewhere.

The Borough's two allocated sites South of Northwick Road and Roscommon Way appear reasonably suited to meet future needs although their proximity to the Thames estuary, relative remoteness and potential drainage issues may deter development. Over 90% of the borough's allocated employment land is in Canvey Island with limited supply elsewhere to meet future demand.

While some 32.7 ha of undeveloped land was identified with potential for employment development, not all of this is necessarily available or certain to come forward for such uses within a reasonable timescale. Taking account of potential constraints, the amount of land which would have realistic prospects of coming forward for future employment needs amounts to about 21 ha, almost all of this on just two large sites.

### Need for Additional Employment Land

Comparing future requirements with the current supply of employment land in the Borough suggests there is an adequate quantitative supply of industrial space to meet future needs to 2031, under different estimates of future demand. This situation would apply even if a number of sites do not come forward for development. However, there is a risk of a modest shortfall over the 2010-15 period if demand remains at past levels.

Despite this surplus, there may be a qualitative need for some more sites that are readily available and better located to strategic roads and population centres in the north of the Borough. Such sites might also have better prospects of attracting developers. They could also enable the decanting of firms in established industrial areas and modernisation of the stock in the older areas. The amount of such land required would be modest but would need to be of sufficient scale to make development and infrastructure provision viable. One or two sites of up to 5 ha in combined area may be adequate. This may require some release of Green Belt land.

For offices, there are a very limited number of sites with potential for new office development. While the existing office market is small, constrained by larger office centres nearby and with fairly low levels of demand, over the next 19 year or so, it is reasonable to expect some growth in office based activities in Castle Point to help achieve growth in higher value and better paid jobs. Given local market conditions, allocating new sites specifically for office development risks these failing to attract development. Some modern office space should be sought within mixed use developments in the larger town centres and along with residential schemes near such centres. On this basis, suitable sites could be allocated for mixed use development with a requirement to provide an element of offices. This may help the Borough start to develop a small office market and build on this over time.

### Managing Economic Growth

In terms of creating more local office jobs, providing more sites would not necessarily achieve this as local demand is low and the office market is undeveloped. It would therefore be important to start trying to build up a local office market through more start-up facilities to accommodate small firms that may, in time, require larger office premises. Including some small office units within mixed use schemes would also help this process. Over time, this may create demand for more office space but it may be a slow process in terms of having any significant reduction in out-commuting.

It would appear difficult to achieve any sizeable reduction in out-commuting in Castle Point. However, various approaches could help avoid the situation worsening and may start to put in place long term steps towards greater self containment of jobs. These would include providing some more immediately available industrial sites in the north of the borough, near strategic roads and adopting measures (as in paragraph 1.28) to encourage their development and occupation.

Given potential difficulties in getting the market to deliver such space in Castle Point, various mechanisms to encourage such provision should be looked at including Council joint ventures with developers, rent guarantees and appropriate use of LDOs in certain locations. Council support for, or collaboration with specialist developers, to provide small, start-up, flexible business units could also be considered, either through new build or conversion of older premises.

In terms of capitalising on major new economic developments in adjoining areas, it is not obvious that a new road access to Canvey Island could enable the area to benefit to a much greater extent from the major port and distribution development at London Gateway in Thurrock. The cost of such infrastructure would also need to be weighed against the scale of economic benefits likely to accrue to Canvey Island, and the extent of these do not appear likely to be major.

A specific issue considered was how the borough could achieve economic growth even if the Council plans for a modest rate of housing growth (e.g. 200 dwellings p.a.). This approach would result in a future decline in local labour supply and may constrain growth of local firms. It should still be possible to attract some firms and facilitate growth of others locally by providing good quality, accessible employment sites close to areas of demand within the Borough and taking steps to encourage development on these. However, success may be more difficult to achieve if there are constraints on labour supply and it is likely to result in higher levels of in-commuting to fill any new jobs created.

In addition, it would be important to encourage greater growth of indigenous businesses, particularly start-ups that could eventually grow into larger employers, generate growth in office and knowledge-based activities and have strong reasons to remain in the Borough. Greater Council support for new facilities offering low cost, flexible lease premises for start-up and move-on businesses would be beneficial. This could involve working with developers/operators of such facilities, encouraging sub-division of older industrial units, direct Council support or seeking Government funding for a new facility.

### Releasing Poorer Employment sites

The potential to release some of the smaller, poorer performing, employment sites has been considered. However, 12 of the 27 employment sites assessed are allocated for residential, retail or parking use in the Local Plan, suggesting that some employment land will be lost over time anyway. Also, most of the surplus land is on two sites which are adequate to meet future needs. This reinforces the need for a rigorous approach to considering release of any further sites in the Borough, so that any employment sites or allocations that are performing some economic role should be retained as such at the present time unless strong requirements for other land uses emerge.

Only two sites were assessed as low quality by the study. One lies in rural area of Thundersley and has poor road access, a Green Belt location and poor access to public transport and labour supply; it performs some employment function with limited potential for other uses. The second site is cleared, suffers from poor accessibility and has planning permission for residential uses, so that its release would not harm the local supply situation.

### Retail & Leisure Floorspace Requirements

The study identified potential capacity for new retail development within Castle Point up to 2031, amounting to almost 3,300 $m^2$ more convenience floorspace, mainly in the Canvey and Hadleigh centres, and some 8,350 $m^2$ of comparison floorspace, primarily at the Canvey, Hadleigh and Stadium Way centres. A further 25% additional space should be planned for on top of this retail requirement (a further 3,600 sq m gross floorspace) to accommodate Class A2 to A5 uses.

Some of this capacity could be met through reoccupation of vacant retail floorspace. The masterplans for Canvey and Hadleigh town centres should be used to accommodate this additional floorspace.

Castle Point has a limited selection of large commercial leisure and entertainment facilities, including cinema, bingo, health club and nightclub facilities but no ten pin bowling facilities or casinos. This reflects its relatively small catchment population and the proximity of larger centres in Basildon and Southend. Castle Point residents have good access to facilities in these other centres but this may limit market potential for further provision in the Borough. The study suggests that most current levels of leisure facilities in Castle Point are either sufficient to support its local population or market demand for additional provision is likely to be limited, particularly for any larger scale facilities.

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# 1.0 Introduction

1.1 This assessment of future employment, retail, leisure and certain other commercial space requirements in Castle Point has been commissioned by the Borough Council to form part of the evidence base for its Local Plan and inform its provision of land for employment and retail uses in particular. An integrated approach has been taken by considering the needs of these different sectors together within this study.

1.2 The main elements of the employment land review involve these stages:

- **Stage 1: Taking Stock of the Existing Situation:** analysis of the economic strengths and weaknesses of the local economy and an assessment of the fitness for purpose of its three main employment sites along with a sample of smaller sites;
- **Stage 2: Assessing Future Requirements:** testing the implications of different population/household growth scenarios on future employment space requirements for the Borough;
- **Stage 3: Identifying a Site Portfolio:** analysing the suitability and deliverability of sites available to meet future needs under each growth scenario, which sites should be retained for employment uses and which released for alternative uses, and any need for additional sites.

1.3 The study was also required to assess the positive and negative implications of each growth scenario in terms of employment, local economic growth and out-commuting to work, and how any negative impacts could be managed through planning policy approaches.

1.4 The key elements of the retail assessment are:

1. assessing the future need for retail and other main town centre uses within the Borough's four main centres;
2. identifying the scale of development suitable in each centre and establishing appropriate floorspace thresholds where impact assessment is required;
3. quantifying the need for office and community facilities within the four centres;
4. establishing the type and scale of additional retail provision needed within out-of-centre locations and local shopping parades;
5. assessing the need for commercial leisure uses;
6. reviewing and assessing the future role of local shopping parades.

## Approach and Methodology

1.5 The study's approach to assessing employment land needs generally follows Government guidance on undertaking employment land reviews and also takes into account regional guidance on such studies.[1] It focuses on employment space needs for the group of B Use Classes indicated in Table 1.1 but also considers in broad terms the future employment potential and land needs of certain other non B Class economic uses such as retail and commercial leisure uses. The needs of employment land and floorspace are considered in the study, and references to "employment space" are intended to mean both these elements. Industrial space in this report includes both manufacturing and distribution uses.

Table 1.1 B-class Employment Land Definitions

| | |
|---|---|
| **B1** | **Business**<br>• Commercial offices other than in a use with Class A2<br>• Research and development - laboratories and studios<br>• Light industry |
| **B2** | **General Industrial**<br>• General industry (unless in B1) |
| **B8** | **Storage or Distribution**<br>• Storage or distribution centres - wholesale warehouses, distribution centres and repositories |

1.6 A key input to this process was consultation with various organisations with an interest in the supply of employment land including local businesses, economic development agencies, and commercial property agents. Appendix 1 contains a list of consultees.

1.7 The study also draws on previous employment land and economy studies undertaken for Castle Point and adjoining districts as well as other relevant documents including economic strategy documents, the National Planning Policy Framework (NPPF), property market information and published economic statistics. These are listed in Appendix 2.

1.8 The retail analysis is based on the study area defined in the Council's previous retail study. This study area is shown in Appendix 6 and is divided into five zones for more detailed analysis. The extent of the study area is based on postcode area boundaries and the proximity of major competing shopping destinations i.e. shopping facilities within the study area are expected to attract a significant proportion of their trade from residents within the study area.

1.9 The level of available expenditure to support retailers is based on first establishing per capita levels of spending for the study area population. To assess the capacity for new retail floorspace, penetration rates are estimated

[1] *Employment Land Reviews: Guidance Note* (ODPM, 2004), Employment land Reviews Guidance Manual by East of England, 2008 and *South East Plan Supplementary Guidance: Employment Land Reviews* (SEEPB, 2010)

for shopping facilities within the study area. The assessment of penetration rates are based on a range of factors, but primarily information gathered within a household survey undertaken in April 2012 for Zones 1 to 5. A summary of the April 2012 household survey results provided by NEMS Market Research can be found in Appendix 9.

1.10 The total turnover of identified shops within Castle Point is estimated based on penetration rates. The turnover estimate for retail floorspace is then compared to average benchmark or average sales floorspace densities. This allows the identification of any potential surplus or deficit in capacity for retail floorspace.

1.11 The report is structured as follows:

| | |
|---|---|
| **Economic Context (Section 2)** | A review of current economic conditions and recent trends in the Borough and its economic strengths and weaknesses that may affect future needs for employment space. |
| **The Retail Hierarchy (Section 3)** | An overview of the hierarchy of shopping centres within the sub-region. |
| **Overview of Employment Space (Section 4)** | Analysis of the current stock of employment space in terms of mix of uses, development rates, gains and losses, age of premises, and levels of provision in adjoining districts. |
| **Assessment of Commercial Property Market (Section 5)** | A review of the local commercial property market, including the supply of and demand for different types of employment space, the needs of different market segments and of local businesses. |
| **Appraisal of Current Employment Sites (Section 6)** | Assessment of the quality of current land supply against defined criteria including its attractiveness to the market and its ability to meet future needs. |
| **Future Employment Space Requirements (Section 7)** | Estimates future B Class employment space requirements in quantitative terms, based primarily on population/household forecasts provided by Castle Point Borough Council. |
| **Future Requirements for Retail Space (Section 8)** | Estimates future job growth and space requirements for retail and leisure uses, based on population growth and projected expenditure |
| **Requirements for Retail Commercial Leisure (Section 9)** | Estimates potential for more leisure facilities based on population growth and national benchmarks of provision. |
| **Need for Additional Employment Land (Section 10)** | Assesses the gap between current land supply and future needs in both quantitative and qualitative terms, by comparing requirements with capacity of available sites. |
| **Managing Economic Growth (Section 11)** | Considers approaches to reduce out-commuting, achieve economic growth with modest housing growth and facilitate economic linkages with London Gateway. |
| **Accommodating retail Growth (Section 12)** | The implications of the expenditure growth projections for the future development strategy in Castle Point. |
| **Overall Conclusions (Section 13)** | Presents conclusions and recommendations from the study. |

# 2.0 Economic Context

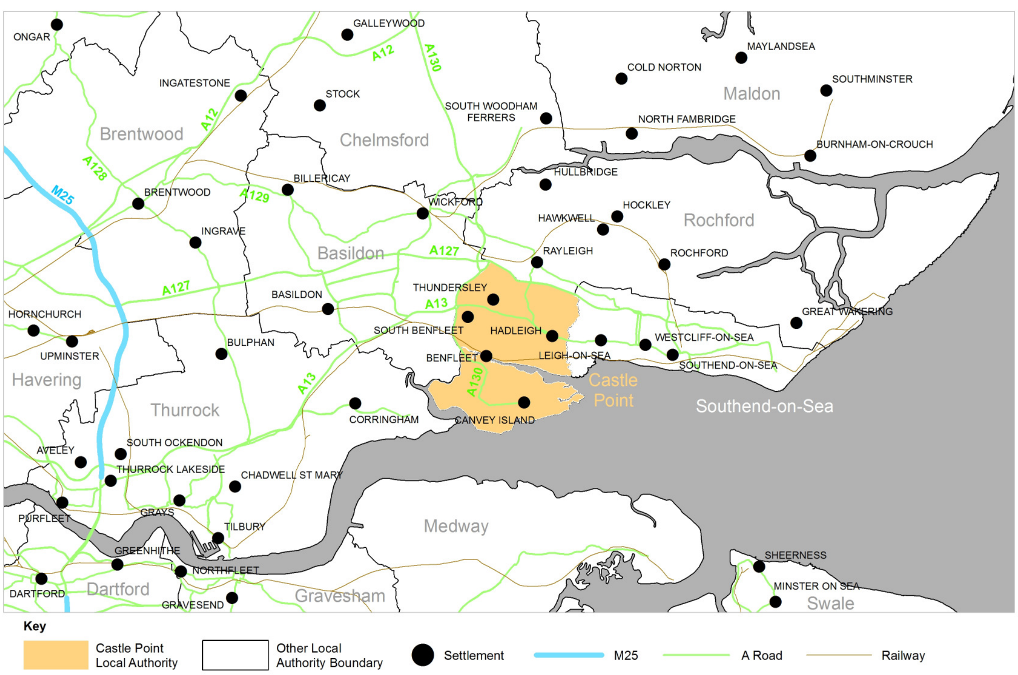
2.1 This section establishes the economic context for the study by reviewing recent economic conditions and trends within the Borough of Castle Point, relative to the East of England region and the national economy. This is important in identifying the existing strengths and weaknesses of the local economy, and the factors likely to influence the nature and level of future demand for employment, retail and leisure space within it.

## Castle Point

2.2 Castle Point is a small borough in South Essex, on the Thames Estuary and within the Thames Gateway South Essex sub-region. It lies some 50 km east of central London and is linked to it by frequent rail services to Fenchurch Street station. The A13, A127 and A130 trunk roads run along the northern edge of the borough, linking it to London and Southend. Its main centres are Hadleigh, Benfleet, Thundersley and Canvey Island with all land outside these urban areas lying within the Green Belt.

2.3 Adjoining districts are Thurrock, Rochford, Basildon and Southend-on-Sea (Plan 2.1). These contain some larger employment centres, particularly Basildon, the new London Gateway port development in Thurrock and industrial areas around Southend Airport.

Figure 2.1 Context of Castle Point Borough



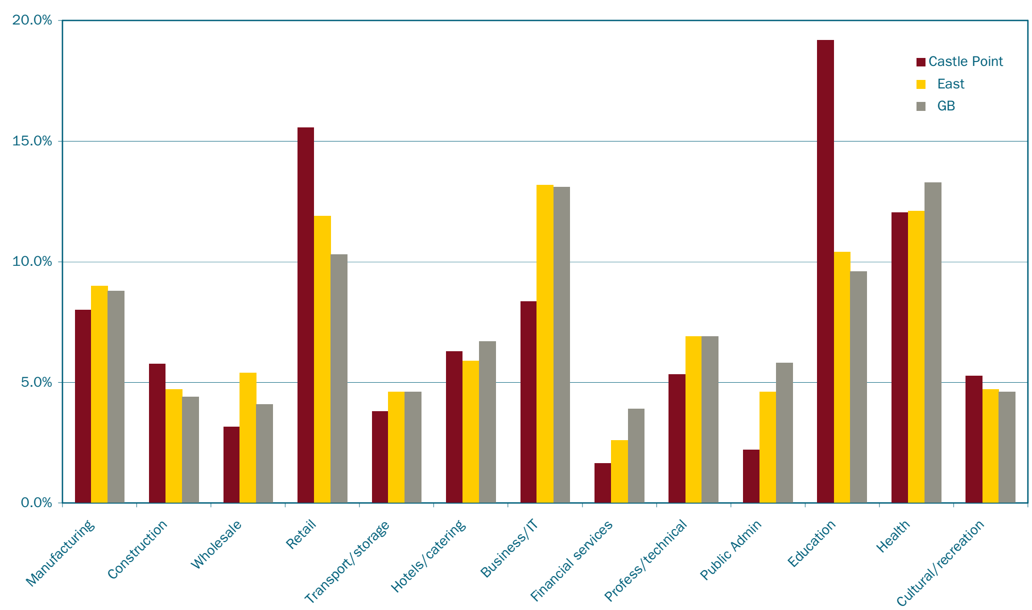
## Economic Conditions and Trends

2.4 Current economic conditions and trends in Castle Point are summarised below, with comparisons made, where appropriate, with regional and national averages.

2.5 The overall population of Castle Point, currently 88,000[2], grew by some 1.5% between 2001 and 2011, significantly less than both regional (8%) and national (7%) averages. The number of employee jobs, 19,300 in 2008, fell by 0.5% from its 2000 level, while there was significant growth at national (5.8%) and regional (6.7%) levels.

2.6 In employment terms, the Borough's largest sectors in 2010 were education (19.2%), retail (15.6%) and health (12.1%) with business services/IT (8.3%) and manufacturing (8%) also important (Figure 2.2). Only retailing and construction in Castle Point had a higher share of private sector jobs than the regional average, with business/IT services, financial services and IT also under-represented. Tourism related activities, with just over 7% of all jobs, also form a significant sector although their share of jobs is less than the regional (7.7%) and national (8.2%) averages. The Borough also has a much higher proportion of employment in public sector jobs (33.5%) than the region (27.1%) and nationally (28.7%).

Figure 2.2 Main Economic Sectors in Castle Point by share of employees, 2010

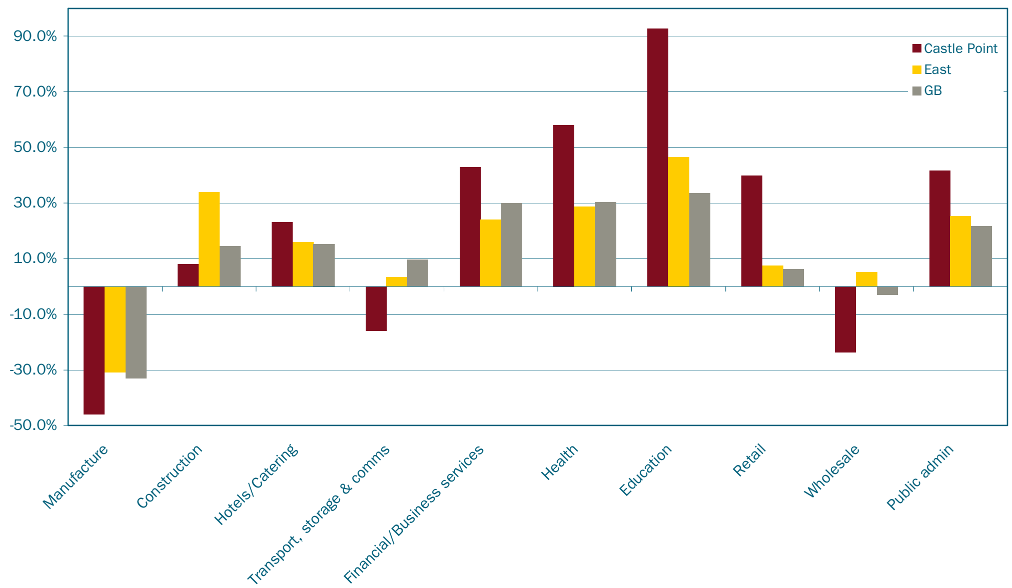



Source: BRES, 2010

[2] Census 2011 data

2.7 Over the last decade, the largest contributors to job growth in the Borough have been public sector activities such as health, education and public administration, where the Borough outperformed regional and national growth rates. Other significant growth sectors have been retail and business & financial services (Figure 2.3).

Figure 2.3 Employment Change in Castle Point by Sector, 2000-08

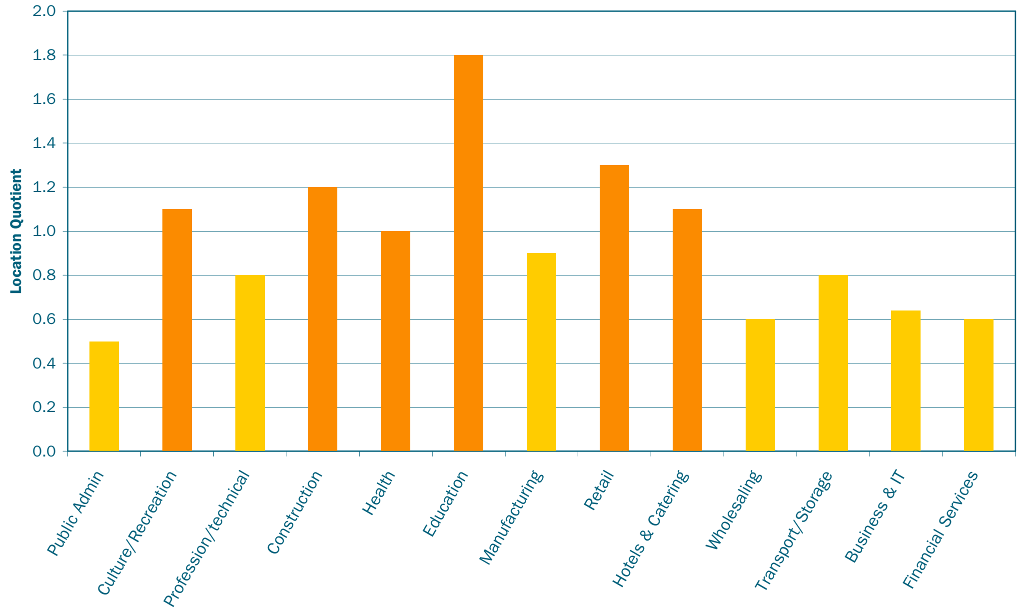



Source: ABI

2.8 However, this job growth was offset by large job losses in manufacturing in particular, where Castle Point did worse than the region and nationally, as well as declines in distribution related sectors such as wholesaling and transport/storage.

2.9 Figure 2.4 below shows the location quotients of these key sectors, where a value below 1 indicates that the sector accounts for a lower proportion of total employment in Castle Point than in the East region (shaded yellow), and over 1 indicates above average representation of that sector locally (shaded orange). This analysis further confirms the fairly strong reliance of the local economy on public sectors including health and education, as well as retailing. Manufacturing and distribution related uses are under-represented along with sectors which tend to be higher growth activities elsewhere – business/IT, financial, and professional services.

Figure 2.4 Location Quotient of Key Economic Sectors in Castle Point




Source: ABI, 2008 Note: orange bars indicate sectors with concentration level above regional average

2.10 Looking at the size of businesses in Castle Point, the Borough has a higher proportion of very small firms with 1-10 employees (89.8%) than the regional average (86.3%), and relatively fewer large firms.

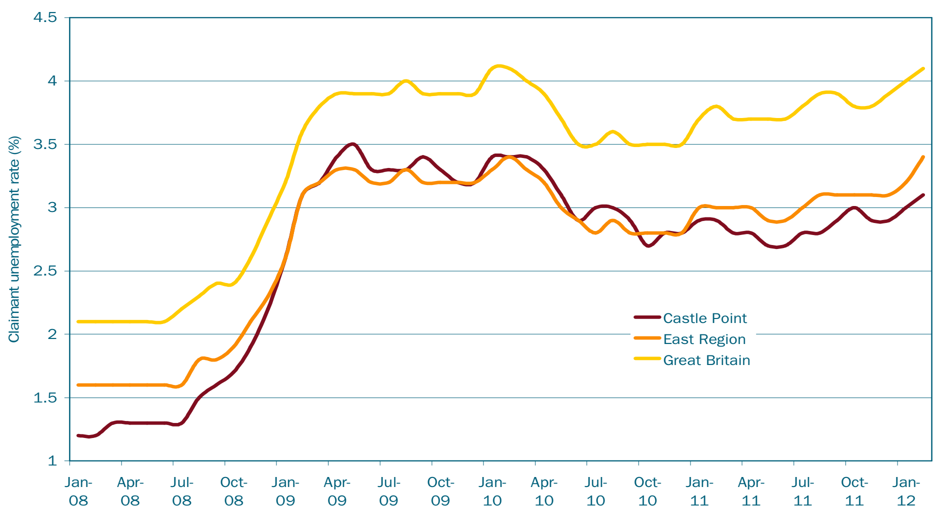
2.11 Between 2004 and 2010, the number of VAT registered firms in the Borough grew by around 6.4%, a rate slightly above that of the East region (5.8%) and similar to the Great Britain average (6.4%). With 119 new VAT registrations per 10,000 working-age population in 2010, the Borough's rate of new business formation in 2010 was also much better than regional (61) and national (58) averages. Castle Point also has a high rate of self-employment, with almost 15% of the working-age population falling within this category compared with just 10% in the East region and 9% nationally in 2011. These indicators suggest reasonably good levels of entrepreneurial activity in Castle Point.

2.12 Castle Point's economic activity rate, the proportion of working age residents in or seeking employment, at 75.6% is below the regional (78.9%) rate and also the national (76.2%) figure. This suggests some scope to expand local labour supply from current residents.

2.13 Claimant unemployment has more than doubled in Castle Point since the start of the recession in early 2008 to 3.1% in February 2012. However, its rate has remained below that in the East of England (3.4%) and well below the national average (4.1%), a pattern that has prevailed historically (Figure 2.5). On the wider Annual Population Survey Measure[3], the Borough's unemployment rate is higher at 6.7%, although this remains in line with the regional rate (6.7%) and below that of Great Britain (7.7%).

2.14 In February 2012 there were 3.7 claimant unemployed workers for every notified job centre vacancy in the Borough. This was lower than the ratios for the East region (4.5) and for Great Britain (5.7) indicating a less tight labour market locally than in other parts of the region, with better prospects of local residents finding work.

Figure 2.5 Claimant unemployment Jan 2008 to Feb 2012

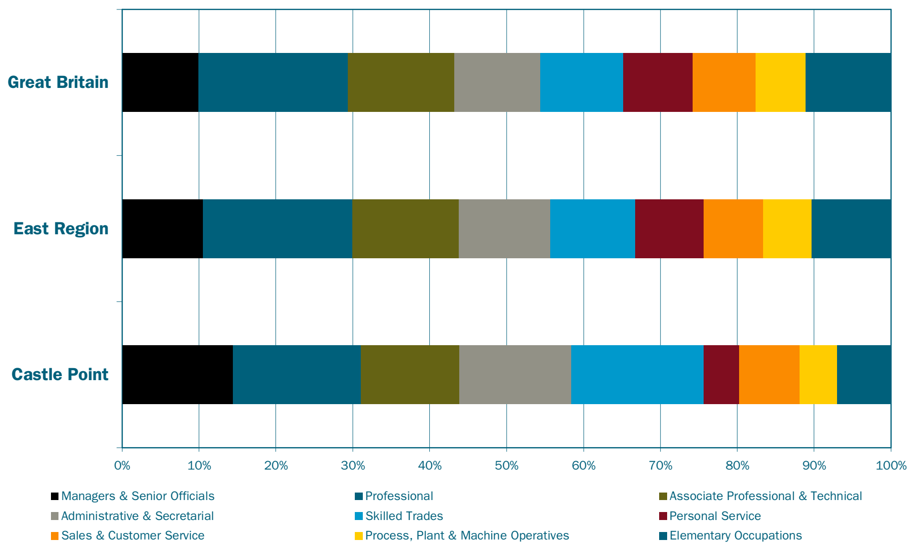



Source: Annual Population Survey

2.15 The Borough's resident workforce has lower than average skill levels when compared to the East region as a whole, with much fewer graduate level workers, and a much higher proportion with no qualifications, 15.2% compared to 10.4%. The occupation profile of its workforce is broadly in line with the national average but with higher proportions of skilled manual workers and administrative and secretarial workers (Figure 2.6).

[3] this records all those searching for work but who are currently unemployed regardless of whether they are claiming job-seekers allowance or not

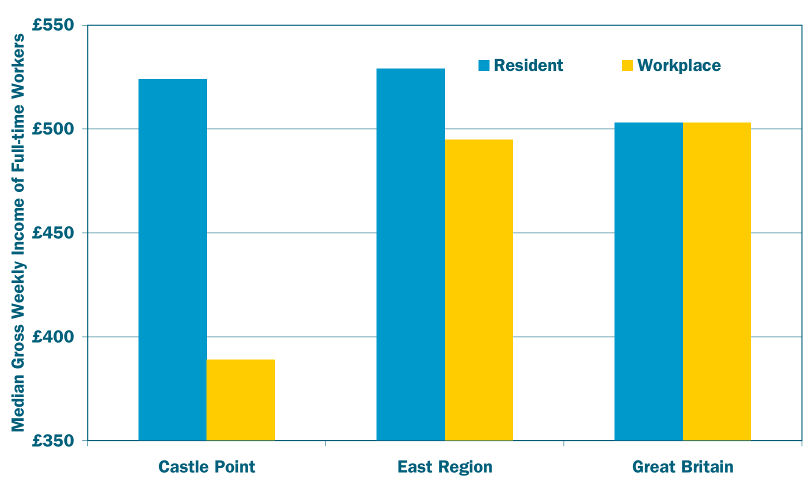
Figure 2.6 Occupation breakdown of Castle Point's Residents relative to East Region/GB




Source: APS,2010-11

2.16 Turning to the types of jobs required in the Borough, the most sought-after occupations amongst claimant unemployed workers are Sales & Customer Service occupations (25%), lower skilled, elementary occupations (21%), Skilled Trades (12.5%) and administrative/secretarial jobs (15.7%). However, in general, there are a slightly lower proportion of unemployed residents seeking higher-skilled jobs and a lower proportion seeking lower-skilled jobs than in the region as a whole.

Figure 2.7 Median Weekly Gross Earnings




Source: ASHE, 2010

2.17 Despite high rates of commuting to London, resident wages in Castle Point are slightly (1%) below the East region average although still 4% above the national average. However, residents who work in the Borough earn much less, with workplace wages 23% below those in Great Britain as a whole and 23% lower than the East region average (Figure 2.7). This indicates the types of jobs available locally are much less well paid than elsewhere in the region.

2.18 Castle Point has generally low levels of deprivation, and is ranked as the 198th most deprived local authority areas out of 326 in England, which places it among the 50% less deprived areas.[4] However, there are some pockets of more concentrated deprivation in the Borough, with some areas to the West of Canvey Island within the 30% most deprived in the country.

### Inward investment

2.19 Although no quantitative data on inward investment or inquiries is available, in general, there has been very limited inward investment or business relocations into Castle Point in recent years. There has also been little movement of businesses out of the Borough. Its attractiveness has been limited for a number for reasons including:

- an ageing stock of premises that do not meet modern business requirements;
- sites with poorer environmental quality;
- larger employment centres such as Basildon nearby with more employment land and better road access;
- a generally tight industrial market with low levels of availability.

### Knowledge-based industries

2.20 Knowledge-based industries are those sectors of the economy where value-added is derived from the intensity and accumulation of knowledge, often fostered through innovation and increasing use of technology. Firms within this sector tend to grow faster and have greater future potential than other sectors and so are considered an important indicator of an economy's competitiveness and future growth prospects.[5] Only 17.9% of Castle Point's businesses were knowledge-based in 2010 – significantly lower than the East of England and national rate of 21.8% and the third lowest in Essex.[6] This suggests the Borough is under-represented in the types of businesses that are more likely to generate future growth.

### Functional Economic Area

2.21 Examining commuting flows can help in defining the functional economic area within which a Borough lies. In 2001, some 62% of Castle Point's working

[4] As measured by the Index of Multiple Deprivation 2010

[5] Based on definition adopted by the Organisation for Economic Co-operation and Development (OECD), includes high-technology manufacturing such as pharmaceuticals, computers and aerospace, and services such as telecommunications, financial intermediation, computing and research and development.

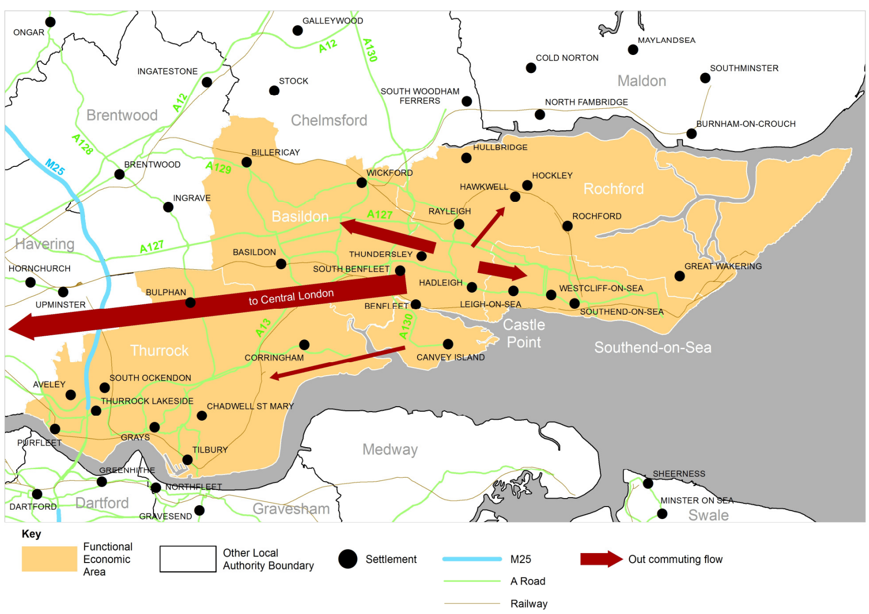
[6] UK Competitiveness Index, 2010

residents worked outside the Borough indicating a very high rate of out-commuting. In total, over 25,500 residents work elsewhere, predominantly in London boroughs (19%) and in the nearby centres of Southend (14.7%) and Basildon (12.7%), but some in Thurrock (4.3%) and Rochford (4.1%).

2.22 At the same time, approximately 6,200 workers commuted into Castle Point, predominantly from the adjoining districts of Southend, Basildon and Rochford. On this basis, Castle Point is a large exporter of labour, with a net outflow in the order of 19,300 residents, some 47% of its resident workforce.

2.23 A commonly accepted approach to defining Functional Economic Market Areas is where at least 75% of a Travel to Work Area's resident economically active population also work in the area, and of all those working in the area at least 75% also live in the area.[7] On this basis, Castle Point would fall within a wider economic area of South Essex comprising Southend, Basildon, Rochford and Thurrock, within which some 70% of this area's residents work, but with strong economic linkages to London also. This is illustrated by Figure 2.8 below.

Figure 2.8 Functional Economic Area/Linkages for Castle Point




## Retail Trends

2.24 It is also important to consider changes in the retail sector nationally and the implications for Castle Point.

[7] Functional Economic Market Areas: An economic note, DCLG (February 2010) based on 2001 Census data

2.25 The economic downturn is still having a significant impact on the sector. A number of national operators have failed (e.g. Clinton Cards, Woolworths, MFI, Land of Leather, Borders, Game, Firetrap, Peacocks, La Senza, Past Times, Barratts and Habitat), leaving major voids within centres and retail parks. Many town centre development schemes have been delayed and the demand for traditional retail warehouse operators has also been affected. Even some of the main food store operators have seen a reduction in growth.

2.26 Assessing future expenditure levels within this study needs to take into account the economic downturn, particularly in the short term. Careful consideration is needed to establish the appropriate level of expenditure growth to be adopted over the LDF period. This study takes a long term view for the LDF period recognising the cyclical nature of expenditure growth. Trends in population growth, home shopping/internet sales and growth in turnover efficiency also need to be carefully considered and a balanced approach taken. An overview of national tends within the retail sector is set out below.

### Expenditure Growth

2.27 Historic retail trends indicate that expenditure has consistently grown in real terms in the past, generally following a cyclical growth trend. The underlying trend shows consistent growth and this trend is expected to continue in the future. However, the current economic downturn is expected to lead to limited growth in the short term.

2.28 In the past, expenditure growth has fuelled growth in retail floorspace, including major out-of-centre development, particularly in the 1980s and 1990s. The economic downturn suggests that rates of growth during the past few years are unlikely to be achieved in the short term, but the underlying trend over the medium and long terms is expected to lead to a need for further retail floorspace. These national trends are anticipated to be mirrored in Essex.

### New Forms of Retailing

2.29 New forms of retailing have emerged in recent years as an alternative to more traditional shopping facilities. Home/electronic shopping has also emerged with the increasing growth in the use of personal computers and the internet. Trends within this sector may well have implications for retailing within Essex. The growth in home computing, internet connections and interactive TV may lead to a growth in home shopping and may have effects on retailing in the high street and in Castle Point.

2.30 On-line shopping has experienced rapid growth since the late 1990s but in proportional terms the latest available data suggests it remains an insignificant percentage of total retail expenditure.[8] Recent trends suggest continued strong

[8] Experian Briefing Note 9 (Sept 2011)

growth in this sector, from 5.1% of retail transactions in 2008 to 9.6% in 2011[7], but there is still uncertainty about its longer-term prospects and the potential effects on the high street. Experian's Retail Planning Note 9 states:

*"Growth in internet shopping has exceeded our expectations. Online spending increased in real terms by 18% in 2010 in line with the forecast in Retail Planner 8 of August 2010. However, 2011 has seen expansion continue at this impressive pace, despite the squeeze on consumers, rather than easing as in our previous forecast. We retain our assumption that non-store retailing will increase at a faster pace than total retail sales in the next few years, but we now expect that market share holds constant from 2018 (rather than 2016). Our assumption that after 2018 internet shopping grows in line with total retail sales reflects the maturing of the market as the number of computer-literate adults reaches saturation point."*

2.31 In addition to new forms of retailing, retail operators have responded to changes in customers' requirements. For example, extended opening hours and Sunday trading increased significantly in the 1990s. Retailers also responded to stricter planning controls by changing their trading formats. In addition, some major food operators have introduced smaller store formats capable of being accommodated within town centres, such as the Tesco Metro, Sainsbury Central/Local stores and Marks & Spencer's Simply Foods formats. Food operators have also entered the local convenience store market, for example Tesco Express stores and convenience stores linked with petrol filling stations. The entrance of European discount food operators such as Aldi, Lidl and Netto has also been rapid during the last decade.

2.32 Food store operators have implemented a programme of store extensions, particularly Tesco, Sainsbury and Asda. These operators, faced with limited growth in food expenditure, have attempted to increase the sale of non-food products within their food stores, including clothing and electrical goods.

2.33 Comparison retailers have been responding to recent market conditions. The bulky goods retail warehouse sector has rationalised and there have been a number of mergers. For example, there are now fewer DIY operators and B&Q and Homebase have scaled down or closed their stores. This may be due to the current downturn in the housing market, which has been historically linked to the success of DIY store operators.

2.34 Other traditional high street retailers have sought out-of-centre stores, for example Boots and Poundstretcher. Matalan has also opened numerous discount clothing stores across the country while sports clothing retail warehouses including JJB Sports and Decathlon have expanded out-of-centre.

2.35 The economic downturn has had, and is likely to continue to have, an impact on the retail sector. The effects of the recession may continue to have an impact on shop vacancy levels in the Borough. The demand for premises within the bulky goods sector, i.e. furniture, carpets, electrical and DIY goods, is particularly weak at present.

2.36 Within town centres, some high street multiple comparison retailers changed their format. High street national multiples have increasingly sought larger modern shop units (over 200 sq m/2,150 sq ft) with an increasing polarisation of activity into the larger regional and sub-regional centres. The continuation of these trends will influence future operator requirements in Castle Point with smaller vacant units becoming less attractive for new occupiers and existing retailers looking to relocate into larger units in higher order centres.

2.37 Operator demand for space has decreased during the recession and, of those national multiples looking for space, many prefer to locate in larger centres such as Southend, Basildon, Chelmsford and Lakeside. Demand from multiples within Castle Point's town centres is likely to be weaker, which will affect the appropriate strategies for individual centres.

## Strengths, Weaknesses, Opportunities and Threats

2.38 Looking at its local economy as a whole, the Borough has been performing reasonably in terms of unemployment and new firm formation but has also been an area without employment growth, with a lower skilled workforce and lower paid local jobs. Its economy is also over-reliant on public sector jobs with relatively low representation in higher growth or knowledge based sectors. Other than public sector jobs, only the retail and construction sectors have higher local concentrations than the regional average and manufacturing has below average levels.

2.39 Drawing together the above analysis, the current economic strengths and weaknesses of the area, together with potential opportunities and threats which will influence demand for employment space in the future are summarised below:

Table 2.1 SWOT Analysis of the Castle Point Economy

| Current Strengths/ Opportunities | Current Weaknesses / Threats |
|---|---|
| • Low unemployment<br>• Reasonable transport links to London<br>• Low cost base (premises and wages)<br>• Resilient manufacturing base less affected by global pressures<br>• Above average business formation rates and high self-employment indicates entrepreneurial activity<br>• Potential spin-offs from London Gateway and Southend Airport | • Lack of modern employment premises<br>• Below average skills/workplace wages<br>• High reliance on public sector & retail jobs<br>• Low representation in growth and knowledge based sectors<br>• No strong sectors with growth potential businesses<br>• Cutbacks in public-sector employment<br>• Limited attraction to inward investment<br>• Competition from larger centres nearby |

# 3.0 The Retail Hierarchy

## Centres in Castle Point and the Surrounding Area

3.1 As noted on the previous section, Castle Point is bounded by Southend-on-Sea Council to the east, by Basildon Borough Council to the north west, by Thurrock to the south west and by Rochford District Council to the north (see Figure 2.1 for the sub-regional context).

3.2 Canvey Island, Hadleigh, South Benfleet and Tarpots are the main shopping centres within Castle Point, followed by a number of Local Shopping Parades. These centres perform a relatively local shopping function, with a fairly limited range of comparison goods retailers. The centres compete with major shopping destinations outside the borough including Basildon, Lakeside Shopping Centre and Southend-on-Sea, particularly for comparison retailing.

3.3 Management Horizon Europe's UK Shopping Index 2008 ranks retail centres across the country. Management Horizon's ranking for centres in Castle Point and nearby centres outside the Borough are shown in Table 3.1 below.

Table 3.1 Management Horizons Europe Shopping Index (2008)

| Centre | Rank | MHE Score |
|---|---|---|
| Bluewater (Greenhithe) | 25 | 321 |
| Romford | 47 | 267 |
| Southend-on-Sea | 54 | 254 |
| Colchester | 59 | 247 |
| Lakeside Shopping Centre, Grays | 65 | 242 |
| Basildon | 79 | 227 |
| Ilford | 103 | 204 |
| Chelmsford | 114 | 194 |
| Lakeside Retail Park, Grays | 143 | 176 |
| Brentwood | 278 | 109 |
| Barking | 282 | 108 |
| Canvey Island | 405 | 82 |
| Stadium Way Retail Park, Benfleet | 1095 | 33 |
| Hadleigh | 1590 | 22 |
| South Benfleet | 1660 | 21 |

*Source: Management Horizon Europe 2008*

3.4 Each centre is given a weighted score for multiple retailers present i.e. each retail multiple is given a score related to its importance such that a department store, for example, has a higher score than other high street retailers. The MHE score does not necessarily reflect the overall size of the town centre or the number of shops, but the presence of national multiples. Towns with a larger number of independent shops may have a low MHE in relation to their overall size.

3.5 The index ranks Canvey Island as the main centre in Castle Point and 405th out of all centres in the UK. This is followed by Hadleigh which is ranked 1,590th and South Benfleet at 1,660th, reflecting their relatively local role. The Tarpots centre is not ranked within the survey. Bluewater, Lakeside, Basildon and Southend-on-Sea are all ranked above the centres within Castle Point, reflecting the relatively local function played by its centres in comparison with other centres in the area.

## Existing Retail Provision in Castle Point

3.6 Existing retail provision in the main centres is contained in centre audits included in Appendix 10. A summary of existing retail provision is provided below:

Table 3.2 Existing Retail Service Provision

| Centre | Town Centre Shop Units | Convenience Goods Sales Floorspace Sq m Net | Comparison Goods Sales Floorspace Sq m Net |
|---|---|---|---|
| Canvey Island | 164 | 5,218 | 7,549 |
| Hadleigh | 95 | 3,520 | 3,532 |
| Tarpots | 41 | 559 | 1,964 |
| South Benfleet | 92 | 672 | 878 |
| Stadium Way | 24 | 3,776 | 18,090 |
| Local parades | 157 | 1,070 | 994 |
| **Total** | **573** | **13,746** | **33,007** |

*Source: NLP Land Use Survey*

3.7 Canvey Island town centre is the largest centre in terms of the number of units and retail floorspace. Convenience retail floorspace is concentrated (70%) in four main food stores, i.e. Sainsbury's and Morrison's in Canvey, Morrison's in Hadleigh and Sainsbury's at Stadium Way. Large format stores at Stadium Way make up over half of the Borough's comparison goods retail floorspace.

# 4.0 Overview of Employment Space

4.1 This section provides an overview of the current stock of employment space in Castle Point, and recent trends and changes to the supply of such space. Both the amount of employment land and the quantity of built employment floorspace are considered across the main types of employment uses - primarily offices (use class B1(a)), warehousing/distribution (B8) and manufacturing industry (B1(c)/B2). Trends in the supply of employment space in the Borough were assessed from the following sources:

- commercial floorspace data from the ONS and Valuation Office Agency (VOA);
- Castle Point Borough Council's annual monitoring data on commercial space;
- the EGi Property Link database and other commercial property sources.

## Main Employment Areas

4.2 The main centres of economic activity and employment within the Borough include:

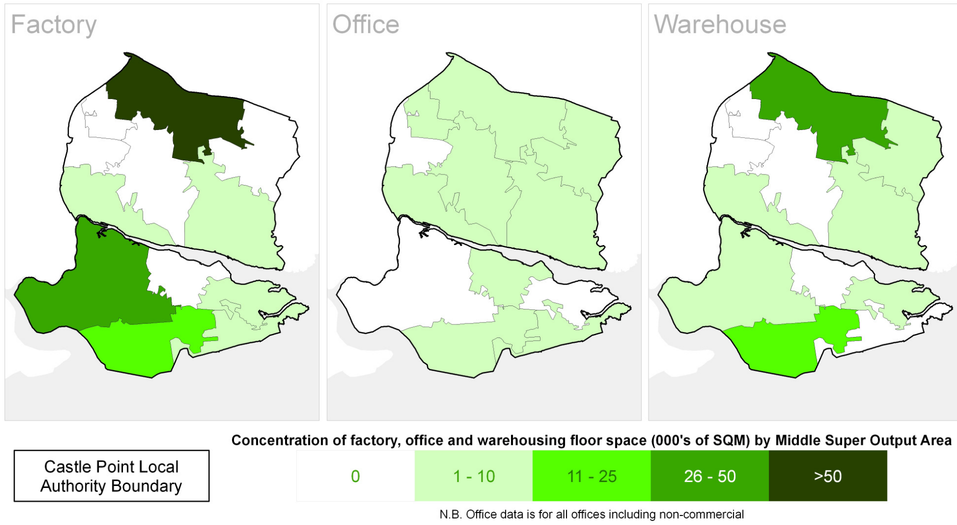
1. the Charfleets industrial estate on Canvey Island (30 ha);
2. the Manor Trading estate in Thundersley (8.1 ha);
3. the mixed use Stadium Way employment area in Benfleet (5.5 ha);
4. the large Oil Refinery and Calor Gas sites on the Thames estuary;
5. the town centres of Benfleet, Hadleigh, Canvey Town and Tarpots, which contain mainly retail and leisure uses and some small offices.

4.3 There are also some 20-30 small sites scattered across the Borough, some containing only a few businesses.

## Current Stock of Employment Space

4.4 A broad indication of the geographical distribution of the current stock of employment space across the Borough is given by Figure 4.1 below. This shows that office space is spread thinly across different parts of the Borough, with no strong concentrations. In contrast, factory and warehousing space are heavily concentrated in the north of the Borough nearer the A127 and A130 strategic roads, although with a significant concentration of manufacturing space around Canvey Island.

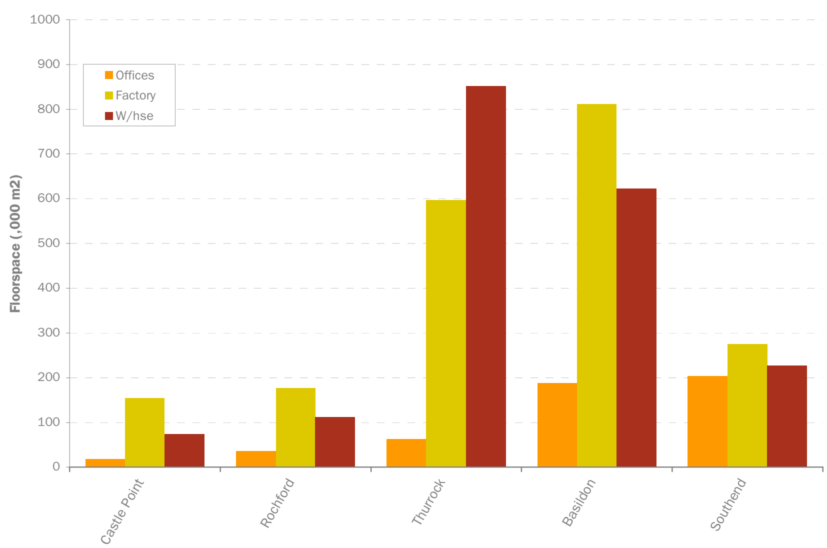
Figure 4.1 Distribution of Employment Space in Castle Point




Source: Nomis, Neighbourhood Statistics, 2008

4.5 In 2008, Castle Point contained some 247,000 $m^2$ of B class floorspace. A breakdown of this space by main uses, and a comparison with employment space levels in nearby districts, are shown in Figure 4.2.

Figure 4.2 Employment Floorspace in South Essex Districts




Source: VOA, 2008

4.6 This indicates that almost 93% of Castle Point's employment space is industrial, with a relatively small level (7%) of office provision. Over two thirds of this industrial space comprises manufacturing premises, the rest distribution units. The Figure also indicates that the Borough has a smaller supply of employment space overall than all neighbouring boroughs, and much less than

Thurrock and Basildon. It also has a smaller proportion of commercial office space than all nearby districts except Thurrock.

4.7 Between 2000-08, Castle Point lost 12,000 $m^2$ of B class space, almost 5% of its total stock. All of its losses were in industrial space, offset by a small gain (1,000 $m^2$) in office space. In contrast, the East region achieved a 9% increase in its employment space in that period, with large increases in office and warehouse space outweighing an 8.5% decline in manufacturing space.

## Vacancy

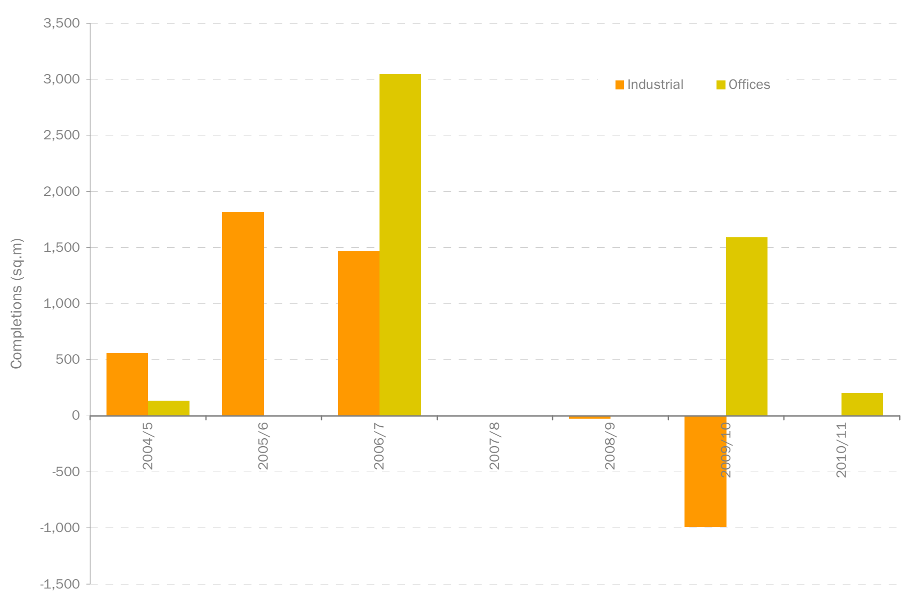
4.8 A historic view of vacancy levels in Castle Point Borough from Valuation Office Agency data indicates local vacancy of employment space was generally above regional and national rates up to 2004, after which vacancy falls below to about 6%, below these wider areas.

4.9 However, based on commercial property being marketed in March 2012, there is currently approximately 1,700 $m^2$ of office space available, largely located within Benfleet, and indicating a vacancy level of around 9%. The equivalent figure for industrial space was 5,350 $m^2$, or less than 1% of the total stock, spread over various industrial sites in Canvey Island.

4.10 Whilst the office vacancy figures appears broadly in line with the 8-10% availability rate that is typical for a normal market with a reasonable amount of space available for firms to relocate and expand, industrial vacancy appears extremely low, suggesting a shortage of provision.

## Development Rates

Figure 4.3 Gross Development Rates 2004 - 11




Source: Castle Point Borough Annual Monitoring Reports

4.11 The net amount of floorspace developed for employment uses in Castle Point Borough over the last seven years is shown in Figure 4.3. The level of new development has been very low. An average of 1,400 $m^2$ gross of B Class space was developed per annum, most of this (over 50%) for manufacturing space, with only 15% for warehousing development and a moderate amount of offices. However, net take-up was less at just over 1,100 $m^2$ p.a.

## Losses of Employment Space

4.12 There is more limited data available on past losses of employment land to other uses but such losses have been very low. Over the period 2004-11 there was an annual average loss of just under 300 $m^2$ p.a. Most of this involved losses of B1(c) industrial space to offices and other uses but with relatively little lost to residential uses.

## Age of Premises

4.13 Although only covering the period up to 2003, ONS data on the age of premises can give a broad indication of the age of stock in the Borough. This shows that Castle Point's small stock of office space is relatively old, with 72% of it built before 1970 compared with 62% in the East region. In addition, the proportion of post 1990 office premises was only 6% in Castle Point compared with almost 14% in the region. This suggests a lack of modern, purpose-built office premises.

4.14 With regard to industrial stock, 54% of Castle Point's stock was built before 1970, a level similar to the region, but only 4.5% was built after 1990 compared with 10.5% in the region. Limited new development since 2000 suggests this position is unlikely to have improved. Overall, this indicates a fairly ageing and lack of modern business premises in the Borough relative to other parts of the region.

## Emerging Supply of Employment Space

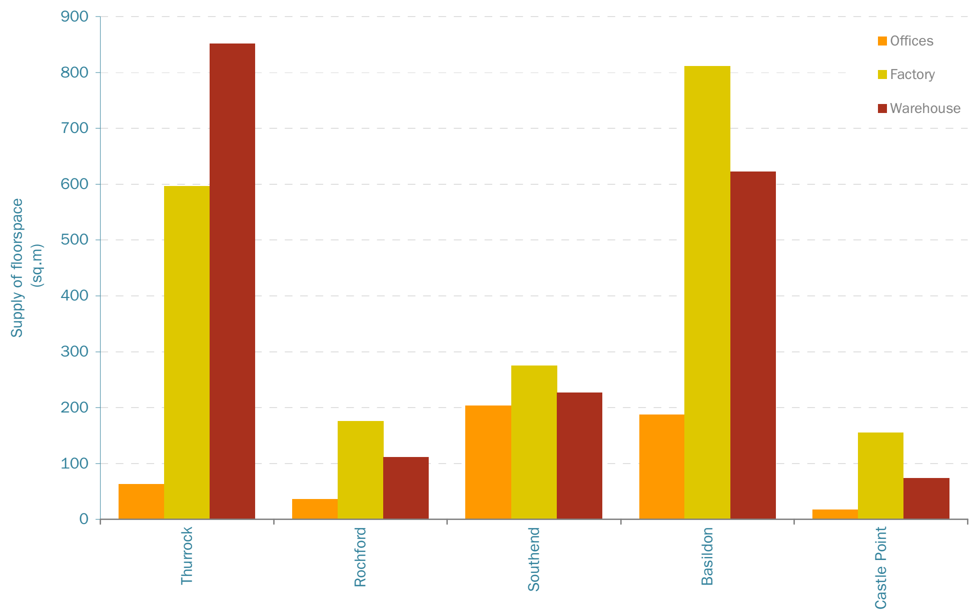
4.15 The supply of employment space in the development pipeline comes from sites allocated for employment development in the Local Plan and other sites with planning permission. The Council's Annual Monitoring Report for 2010/11 indicates some 19.5 ha of employment land available, the great majority of which is identified for mixed B1-B8 uses and allocated in West Canvey, most of it on two sites on Roscommon Way and Northwick Road.

4.16 At April 2011, there were six extant planning permissions for almost 4,200 $m^2$ of employment space in place but these would provide a net gain of only 360 $m^2$. This gross availability figure of 4,200 $m^2$ is equivalent to about three years of average annual completions in the past, although it excludes potential floorspace on the two large sites in Canvey Island.

## Employment Space in Adjoining Areas

4.17 It is also important to understand the extent of available employment land in adjoining districts and any major new economic developments coming forward there which might compete with the Borough for future demand. A brief review has therefore been undertaken below of the current position in each area. Figure 4.4 summarises the amounts of B Class employment floorspace in these districts relative to Castle Point.

Figure 4.4 Quantity of Built Employment Space in Adjoining Districts, 2008




Source: Nomis/VOA * includes all developed B1-B8 floorspace in each district

### Southend-on-sea

4.18 Southend currently has almost three times the amount of employment space as Castle Point Borough, much more office space in particular and the most office space in South Essex.

4.19 Southend's Core Strategy identifies future economic growth sectors based on existing clusters of activity and those aligned with these sectors:

- aviation/airport and associate industries;
- health and medical industries;
- business and financial services;
- cultural and intellectual hub and HE centre of excellence;
- tourism and leisure, and long term opportunities from Olympics.

4.20 Based on its 2010 Employment Land Review (ELR), 40% of all Southend's jobs are in Southend town centre and the Victoria Avenue office quarter has been a key location for employment, although much of the office stock is generally dated and considered unsuitable for modern purposes. Manufacturing is generally located in St Lukes in the north of the Borough and in Eastwood Park off the A127 with other clusters in Shoebury, St Laurence and Victoria. Wholesale and retail trade and repair of motor vehicles are primarily located in the town centre and the north fringe, A127/airport corridor.

4.21 The ELR indicated a negative supply of employment from current permissions as well as a forecast deficit of some 20,000 $m^2$ of employment space by 2026. It did not recommend provision of new employment sites but supported protection of many existing sites, with new space to come from within established employment areas at the airport and in the town centre/seafront area.

4.22 As a result, the Southend-on-sea Core Strategy contains no new site specific allocations for employment uses and outstanding permissions are anticipated to result in a net loss of about 1.1 ha of employment land from the current supply. However, a Joint Area Action Plan for the Airport area proposes allocations to accommodate up to 124,000 $m^2$ of employment floorspace, mostly industrial and half of it specifically to meet job growth in Rochford District. Renaissance Southend is also proposing up to 95,050 $m^2$ of office floorspace in the town centre/seafront area.

### Rochford

4.23 Rochford is a largely rural district which contains London Southend Airport and various industrial areas beside it. Rochford has approximately one third more employment space than Castle Point, and double the amount of office space although its stock of this is also relatively low.

4.24 The district has a relatively small amount of available employment sites without planning permission, in the order of 4 ha, much of which is beside the airport. There are no major employment schemes planned although significant expansion is planned at Southend Airport which is owned by the distribution firm Stobarts, has attracted the budget airline Easyjet and has plans to develop its Business Aviation activities. Some £100 million of investment is underway in a hotel, restaurants, new rail station, passenger terminal, control tower and runway extension, with an aim of significantly increasing passenger numbers and providing substantial new hangarage and maintenance facilities. Growth of over 500 more jobs and more businesses based at the airport are anticipated.

4.25 As noted above, the Joint Area Action Plan for the Airport area with Southend allows for up to 124,000 $m^2$ of floorspace at the Airport, half of which is specifically to meet job growth in Rochford District. Much of this would be expected to be industrial space.

### Basildon

4.26 Basildon is the largest employment area in the Thames Gateway South Essex area. Good transportation links and proximity to London are important advantages and help it be perceived as a good business location. It has some seven times the amount of employment space as Castle Point, a good spread across all sectors and ten times the amount of office space.

4.27 The town is well established as a centre of automotive research and development with a large number of companies supplying high technology services to the Ford Dunton research plant. Whilst traditional manufacturing remains important, there has been a recent shift towards high technology firms with multi-national companies such as Visteon. The logistics sector has also become increasingly important. The office market is comparatively small compared with the industrial market.

4.28 Basildon's primary industrial estates are located to the north of the town centre. In 2011, the amount of available employment land was recorded as 10,300 $m^2$ for B1-B8 uses but there were also anticipated losses of over 5,000 $m^2$ of office, R&D and industrial space. There are understood to be significant amounts of recently developed but vacant industrial and office units.

4.29 Outside the two very large sites at Gardiner's Lane South (36 ha) and the Ford Motor Company Research Development Centre site at Dunton (98 ha), there are very few allocations for employment land in the district; the only others are relatively small - Courtholt Road (1.5 ha) and Terminus Drive (1.3 ha). Another significant factor affecting supply is the proposed regeneration of Basildon town centre, the masterplan for which includes 25,000 $m^2$ of additional office space but in the later stages of development.

4.30 The Borough's 2008 ELR indicated that, under most growth scenarios, there would be a shortage of office space over the period to 2026. Only if growth in office employment were comparatively modest and the Basildon town centre development plans go ahead will there be sufficient space to meet forecast demand. Also, under several growth scenarios, there would be a shortage of industrial space by 2026.

4.31 The Preferred Options stage of the Core strategy places greater reliance on intensifying development in existing town centres and employment locations and only designates one new location for economic development - near Basildon & Thurrock University Hospital in south Basildon. It also proposes release of 4 ha from the Ford R&D site allocation at Dunton North from a restrictive automotive R&D development policy to make land available for sustainable industrial development.

### Thurrock

4.32 The Thurrock market has been dominated by industrial uses over the last decade with office accommodation forming only a small part of the market. With sites close to the M25, it is an important location for strategic distribution activities, particularly in the Purfleet, West Thurrock and Lakeside areas. It has more than six times the amount of employment space as Castle Point, more office space and by far the most distribution space in South Essex.

4.33 In late 2010, Thurrock had some 381 ha of available employment land, a significant proportion of which is on the large London Gateway port development and related distribution development on the Thames Estuary. The associated business park will incorporate 1 million $m^2$ of B1, B2 and B8 space and the logistics park will be the largest in Europe with 860,000 $m^2$ of B8 floorspace. Initial estimates are that this development will create 11,000 new jobs.

4.34 Also significant is the Coryton Oil Refinery on the western edge of Castle Point borough. This is expected to close shortly with the loss of almost 1,000 jobs and to have significant adverse effects on Thurrock's local economy.

4.35 The Borough's 2011 ELR expects steady growth in the demand for employment land in the Thurrock area, predominately driven by growth in warehouse related floor space, with a net employment land requirement of between 65 and 83.8 ha by 2026. However, displacement of between 10-15 ha of employment uses to the London Gateway site from the rest of Thurrock was expected. The ELR also recommended some 95 ha of employment sites be de-designated from employment uses.

### Greater London

4.36 Although not adjoining Castle Point, Greater London is also considered here as it is a major draw to commuters from within Castle Point. London is a leading world city, reflecting its scale, capital markets, universities, diverse and well-educated population, its concentration of multinational companies and major international organizations and its transport connections to the rest of the world. London is also the largest business centre within the UK, and has the greatest number and highest concentration of businesses in high value sectors. This results in a very large number and choice of well paid jobs, mostly concentrated in Central London, the City and Docklands, which are accessible to Castle Point residents by frequent rail links.

4.37 Relative to centres in Essex, London contains a very large amount of office space (over 25 million $m^2$). It is also the part of the country where speculative office development is continuing while schemes are stalled elsewhere. In the first half of 2012, a modest amount of new office space was added, but 1.2 million $m^2$ of new or refurbished space is expected to be completed by 2015.[9] These factors, combined with improving road and rail links, are likely to make London a growing attraction to commuters from south Essex.

## Conclusions

4.38 Castle Point's employment space is predominantly industrial, with a relatively small level (7%) of office provision. The Borough has a smaller supply of

[9] Savills Central London Office Market Report, summer 2012.

employment space overall than all neighbouring boroughs, and a smaller proportion of commercial office space than all nearby districts except Thurrock.

4.39 The Borough has been losing B class space over the past decade, almost all of this industrial space, while the region has seen an increase. However, losses to other uses have been low. The level of new development has also been very low and most of this has been manufacturing space, with only a modest amount of offices.

4.40 Castle Point now has a fairly ageing stock of employment space and a lack of modern business premises relative to other parts of the region. Vacancy of office space is at normal levels but industrial vacancy is very low.

4.41 Combined with the borough's own characteristics, much larger amounts of industrial or office space in adjoining boroughs are likely to make it more difficult for Castle Point to compete for new investment and relocations, or to develop a significant office sector of its own. There are some large developments underway in Southend, Basildon and Thurrock, some of which may provide some spin-off benefits to Castle Point but this is uncertain.

# 5.0 Commercial Property Market

5.1 This section describes current property market conditions in Castle Point and the general area of southern Essex around it, including recent trends in the demand for and supply of office and industrial premises. These findings are based on discussions with a number of commercial property agents and various economic development and business organisations and firms active in the area (see Appendix 1).

## Overview

5.2 In early 2012, the UK commercial property market was still recovering from the financial crisis of 2007/8 and the ensuing recession and property slump. Falls in the capital value and rental levels of office and industrial premises of up to 40% combined with stricter lending criteria from banks and the abolition of tax relief on empty property mean that property development is less profitable, finance is hard to obtain and the risks of developing space without an end-user identified are high. As a result, speculative development has become very rare in virtually all of the UK outside London. This is particularly the case in more economically marginal locations, and those without a significant existing commercial property market, where lenders and developers are likely to be especially cautious.

5.3 However, there are differing views on how the market will evolve in the coming years. For example, competing forces such as a scaling back of public sector space requirements but a fall in employment land prices may play out in different ways in different locations. In any case, this study looks over the long-term of the plan period up to 2031 and the inherent qualities of the Borough as a commercial location must therefore be considered.

## The Castle Point Market

5.4 Castle Point is a small area forming part of a larger commercial property market area comprising Southend-on-Sea and Basildon, which are both much larger employment centres.

5.5 As noted in the previous section, the great majority of the Borough’s employment land is industrial and concentrated in a few larger sites - the Charfleets industrial estate, the Oil Refinery and Calor Gas sites on Canvey Island, the Manor Trading estate in Thundersley and the Stadium Way employment area in Benfleet.

5.6 Partly reflecting its location and more limited access to strategic roads, the market is seen as quite insular and localised, and it is hard to draw in firms from other areas. The borough’s main attractions for firms are its low rents, locally based workforce and a stock of premises which meet local needs even if generally dated. Many firms in the area have been established there for a long time, with locally based owners, have local workforces and are unlikely to move.

## Industrial Market

5.7 Demand levels for industrial premises in the Borough are quite good although subdued in comparison to the past as a result of depressed national economic conditions. Most demand is from local firms wishing to expand or upgrade premises and stay within the area. Small start-up units are particularly popular and any new units are quickly taken up.

5.8 Demand is good in the Benfleet area, with units on the Manor Estate and Stadium Way letting quickly, but Canvey Island is less popular due to its greater remoteness and access problems and mainly attractive to local firms already based there.

Table 5.1 Industrial & Office Rents in South Essex

| Use | Industrial (£/sq ft) | Offices (£/sq ft) |
|---|---|---|
| Castle Point | £1.7 - £6.0 | £4 - 9 |
| Basildon | £5 – £8.5 | £8 - 16.5 |
| Southend-on-Sea | £3 – £7.5 | £6.5 – 12.5 |
| Thurrock | £3 – £8.0 | £7.5 – 20 |

Source: EGPropertylink, 2012

5.9 Rent levels for industrial space in Castle Point are low, and very competitive compared with Basildon for example, but reflecting the mainly older premises available (Table 5.1).

5.10 There is, however, relatively little industrial stock available and very little modern premises. There is no speculative development being carried out and it may not be viable to build new units at present given the generally low rent levels being paid for older premises in the area. Much of the stock is older and run down, and does not have the eaves heights now sought by many distribution firms. This is particularly the case on Canvey Island, where most units are very dated. There are also very few larger units available, with little larger than 190 $m^2$ (2,000 sq ft) usually on the market.

5.11 Stadium Way is one of the larger employment areas and very popular but a large proportion of its units are trade counters rather than factory or warehousing space and this limits supply to some extent.

5.12 There has been some development of parts of older employment sites and some refurbishment of older units, with the Shannon Square scheme of small industrial units in Canvey Island an example, but these date from the 1990s and there are have been no recent developments like this.

5.13 A factor affecting demand in Castle Point is the large level of availability of industrial space in Basildon, much of it left over from speculative building before the recent recession. This has depressed industrial rents in Basildon and made it more attractive for any Castle Point firms seeking modern units to relocate.

5.14 Overall, it may be difficult for Castle Point firms wishing to expand or upgrade their premises to find what they need locally, particularly if they want units of over 1,900 $m^2$ (20,000 sq ft) and eaves heights over 8 metres. This would push them out of the borough towards Basildon or Southend, where ready built units are available at a price less than it would cost to build in Castle Point.

5.15 In terms of future industrial needs, the market view was that there is probably a current shortage of land with very few sites available for development. The main one is the large site at Roscommon Way on Canvey Island, which has had an access road and services put in by EEDA. However, this is not in the area of strongest demand within the borough and it is harder to attract new firms to Canvey Island, which is perceived as an area affected by flood risk.

5.16 The main need seen by agents was for larger units of 1,400 – 1,900 $m^2$ (15,000-20,000 sq. ft) but these could probably be provided by redeveloping existing industrial sites rather than providing new greenfield sites.

5.17 With increasing fuel costs, there was a view by agents that distribution firms are more likely to want to move to sites in the north of the borough closer to the M25. Indeed, there are understood to be proposals to relocate the Manor Estate to a new site closer to the A127, although there may be constraints in achieving direct access to this strategic road.

## Office Market

5.18 The office market in Castle Point is very small and there are relatively few enquiries generally, mainly for units under 450 $m^2$ (5,000 sq. ft), and very few for office units in Canvey Island. Most of this demand is from small businesses and a few medium sized firms and is mainly in Benfleet and Thundersley.

5.19 This demand is affected to some extent by a large supply of office space available in Basildon, where rents have been reduced and are now competitive with those in Castle Point. It was considered as unlikely that office firms would move into Castle Point from Basildon or other adjoining areas.

5.20 Much of the current supply in Castle Point comprises small units above shops and these tend to be older premises. Rent levels are comparatively low and there has been very little new office development.

5.21 The Stadium Way employment area includes some office uses including a relatively modern, 3-4 storey office building fronting the A127 which is now occupied but was empty for several years. There has also been a recent refurbishment scheme providing new offices above a small shopping arcade in Benfleet, but this is an exception.

5.22 In terms of future needs for office space, agents considered it difficult to predict but the future demand picture appears unlikely to be very different from now. Any new office development would probably be in out-of-centre schemes or possibly within a mixed use development near town centres but the overall scale would be modest.

## Provision for Small Firms/Start-ups

5.23 There appears to be a reasonable supply of small units in the Borough but very little in the way of specialist provision for start-up businesses, such as an Enterprise or Innovation Centre. In contrast, the Laurence Industrial Estate in Southend has 40 small industrial units which have recently undergone extensive refurbishment and are offered on easy-in/easy out arrangements, while there are further facilities in Southend district at the Dragon Enterprise Centre in Leigh-on-Sea and the Southend Business Enterprise Centre. The Essex Enterprise Centre in Basildon provides 33 units, converted from a warehouse 30 years ago while Rochford Council is investigating development of an eco-enterprise centre within the London Southend Airport area. It is understood, however, that the Council aim for an Enterprise Centre to be provided in Canvey Island.

## Needs of Local Businesses

5.24 To understand the level of demand for business space and qualitative requirements of businesses in the area, a telephone survey was undertaken in June 2012 of a sample of 25 firms based in Castle Point. This sample was taken from the Council's business database and stratified to ensure a mix of businesses by sector (manufacturing, distribution, office-based activities) and by location within the borough. A mixture of small and larger businesses was also sought within the sample and these were spread across a range of types of business premises from stand-alone units to town centre offices and industrial estates.

5.25 With a sample this size, the aim was to explore qualitative issues for businesses rather than provide a statistically valid analysis. However, the results from Essex County Council's survey of businesses in 2011 were used to supplement the Castle Point survey results. Businesses were questioned on these issues:

a what type of premises/employment area they were based within;

b how adequate these current premises were for their business needs;

c whether they expected to expand in terms of space requirements over the next 5-10 years;

d whether they perceived it easy/difficult to find premises to expand, relocate to or upgrade to within Castle Point;

e their views on the adequacy of the supply of employment sites/premises within Castle Point;

f what factors led to them being established in Castle Point and remaining there.

5.26 The key responses arising from this survey are drawn out below.

5.27 The great majority of companies were satisfied with their current premises/site, which generally seen as adequate to meet their current requirements, if expensive for some. In some cases these businesses had been operating from their current premises for many years and did not have any aspirations to expand. A few were running down as work went overseas, or retiring. This position appeared to reflect much of the borough's business base, which includes many small/single person firms that deal with low value goods and services (such as scrap metal, car repairs etc) and do not require high quality, modern premises.

5.28 However, a few firms felt that their business operations were being constrained by their current premises, which were too small, were being outgrown and in some cases were in a poor state of repair. Some firms located on larger industrial estates felt that other occupiers have expanded to the limits of their site boundaries and this is making the estate congested at times.

5.29 The majority (80%) of consulted firms did not expect to expand their premises/site over next few years and several were downsizing. Those that did want to expand were reasonably confident that they could find a suitable site in Castle Point, perhaps on one of the larger industrial estates such as Manor Trading or Charfleets. Others expected to be able to expand into available space on their existing site. Only three businesses indicated they would probably have to relocate outside of the borough to find the site they need, to either Wickford or Basildon.

5.30 The overall impression gained from firms was that there appears to be currently an adequate supply of sites and premises in Castle Point for businesses like theirs, with some firms observing that they had seen empty premises and available/vacant sites recently. About 20% believed there was a lack of suitable available space in the borough, and a limited choice/variety of premises, particularly office space, anything of good quality and able to accommodate large expansions or relocations.

5.31 Some of the larger, lower value industrial estates (particularly Manor Trading and Charfleets Estates) were viewed by firms in the Borough as lacking appeal, in poor condition and often dirty and noisy. They also recognised that the Borough offers little dedicated space for offices, which are seen as secondary to industrial uses.

5.32 The most common factors that businesses cited for keeping them in Castle Point were:

a a local labour force, particularly in Canvey Island

b firms had built up a good presence and reputation/business base in the area

c reasonable/comparatively low rent premises and low costs generally

d relatively good access and transport infrastructure.

5.33 These findings were backed by analysis of B class firms in the Borough which responded to Essex County Council's survey of businesses in 2011. This survey showed that local firms are generally satisfied with their current premises and business location, with just 15% stating that this was impacting on the performance of their business. However, only 38% cited availability of employment land and premises as important or very important to their business operations. In contrast, availability of local labour/employees was cited as much more important, by 71% of these respondents.

5.34 Whilst the majority (69%) of these surveyed firms were fairly or very satisfied with the Castle Point area as a location for investment, 16% were fairly or very dissatisfied with the area's investment potential. 10% of firms also cited a serious likelihood that their business will move its operations away from their current location in Castle Point over the next three years.

5.35 Nearly half of Essex business survey respondents also felt that local traffic congestion was having a negative impact on their business performance. This was echoed in the 2012 NLP telephone survey, with Charfleets industrial estate perceived to be one of the most congested.

## Conclusions

5.36 There is good demand for industrial space in Castle Point generally, but little available supply and much of the stock is old and unsuited to current needs, with few larger units and little modern stock. There are indications that local firms may find it hard to expand or upgrade premises without moving out of the Borough. The main supply of industrial sites is in Canvey Island, which is away from strategic roads and the areas of stronger demand.

5.37 Demand for office space in this area is low, predominantly for small units by local firms. The supply is also very low, predominantly small older premises above shops and with no new premises being built. Adjoining areas have more office space and better quality premises.

5.38 Castle Point has very limited provision for small, start-up businesses compared with adjoining boroughs.

5.39 Most firms based in Castle Point appear to find their existing premises adequate for their needs and able to find premises to expand into if needed. Most firms were based there for historic reasons and because of locally based staff. However, about 10% were unable to find suitable units and were considering locating outside the Borough. Also, only 20% were likely to expand in future, which may limit future requirements for employment space.

# 6.0 Review of Current Employment Sites

6.1 This section assesses the characteristics and quality of existing and allocated employment sites in Castle Point and their suitability to meet future employment development needs. Locations of these sites are shown in Plan 6.1. A total of 27 developed, allocated and other undeveloped employment sites were assessed amounting to almost 184 ha in total area. These sites were identified for assessment by Castle Point Borough Council and comprise the Borough's main employment areas and allocations and a sample of small employment sites but do not include every employment site in the Borough.

6.2 Each site was inspected and its suitability for employment use assessed against the criteria listed below, which reflect those in the ODPM and more recent East of England Guidance on Employment Land Reviews:

a strategic road access and local road access;

b accessibility to public transport and services;

c adjoining uses that might constrain employment uses;

d site size, characteristics and potential development constraints; and

e attractiveness to the market, including vacancy and market activity.

6.3 Other factors were also noted including the site's suitability for specific uses, any barriers to the delivery of undeveloped sites for employment uses, as well as sustainability and sequential preference factors where relevant. Detailed assessment criteria are listed in Appendix 4. The assessment also draws on site information available from the Borough Council.

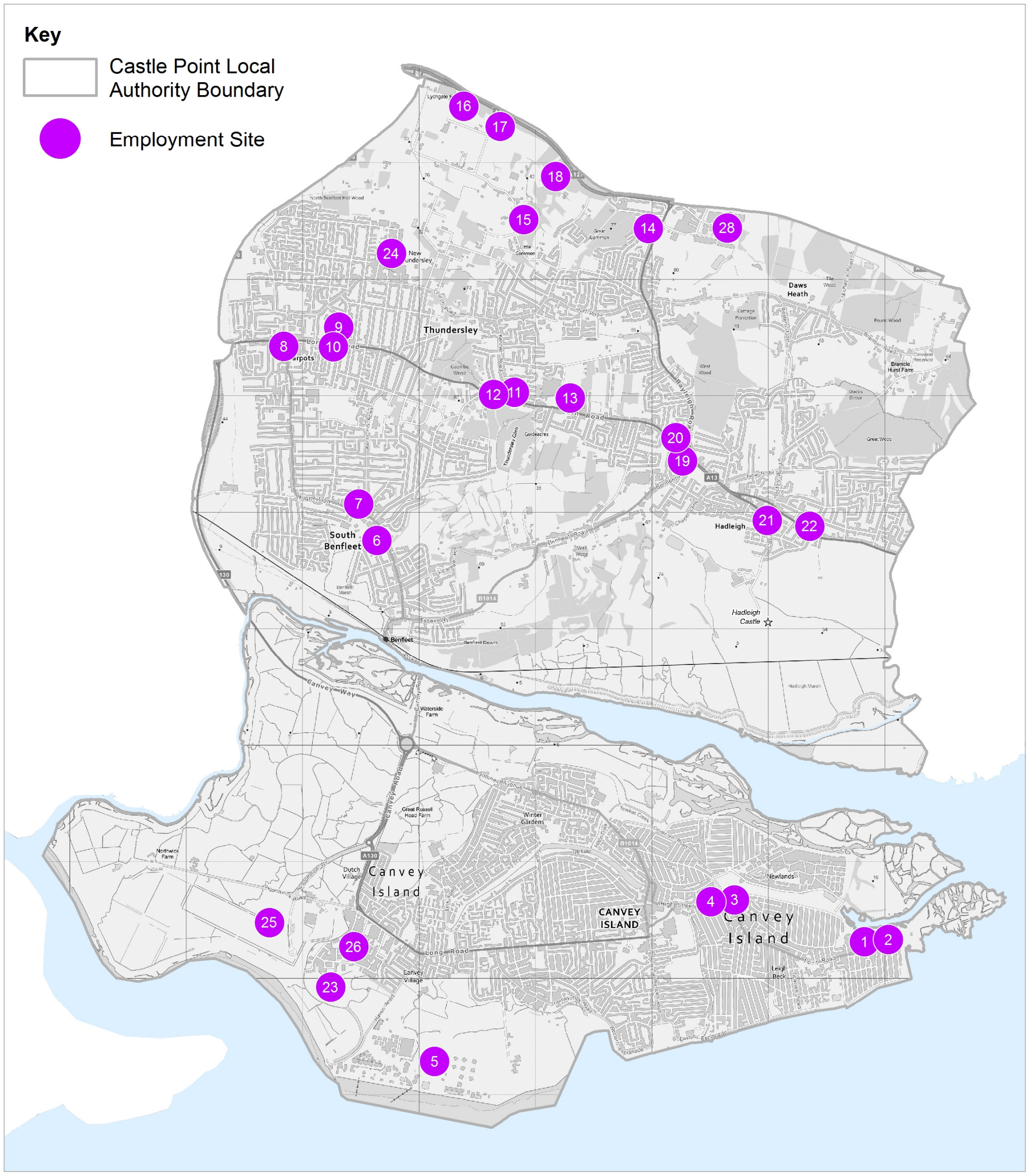
6.4 It should be noted, however, that this assessment process in itself does not necessarily provide a complete picture of a site's role within the local economy. For example, a site's importance to meeting local needs or providing a location for bad neighbour uses can be important reasons for retaining a site despite it recording a low ranking. In addition, not all businesses require a site which performs well on all these criteria. A broader commentary is therefore provided on each site to supplement the formal scoring exercise.

6.5 Details of each assessed site, and how they rate against the assessment criteria, are contained in Appendix 5.

## Overview of Sites

6.6 The broad distribution across the Borough of employment sites assessed by this study is illustrated by Figure 6.1 below. This indicates that while the majority (44%) of employment sites lie within the Thundersley area, the great majority of employment land (72%) falls within Canvey Island. The South Benfleet and Hadleigh urban areas each account for less than 1% of employment land supply.

Figure 6.1 Location of Assessed Employment Sites




1. Canvey Supply
2. Prout and Point Industrial Estates
3. Corner Club and Yards
4. 125 High Street (Canvey Island)
5. Gas and oil Receptor and Storage Facilities
6. Corner of Brook Road and Hall Farm Road
7. Various Depots and Workshops
8. Shafers Arcade
9. Canvey Supply, Benfleet
10. Beaver DIY
11. Hobson and Sons
12. Ex Social Services Building
13. Council Offices inc. White House
14. 533 Rayleigh Road
15. Brickfields Industrial Estate
16. Lychgate Industrial Estate
17. Woodside Garden Centre and Nursery
18. Slatford Nursery
19. Various Workshops and Businesses
20. Thames Loose Leaf
21. Endway and Crucible Houses
22. Johnsons Apparel
23. Undeveloped Site – South of Roscommon Way
24. Manor Trading Estate
25. Undeveloped site – South of Northwick Road
26. Charfleets Industrial Estate
28. Stadium Way Industrial Estate

Table 6.1 Distribution of Employment Sites by Sub-area

| Location | No. of Sites | Total Site* Area (ha) | % of Total Site Area |
|---|---|---|---|
| Thundersley | 12 | 49.8 | 27 |
| South Benfleet | 3 | 0.9 | 0.5 |
| Hadleigh | 4 | 1.5 | 0.5 |
| Canvey Island | 8 | 131.5 | 72 |
| **Total** | **27** | **183.8** | **100** |

* site areas measured by NLP from GIS boundaries

6.7 The suitability of individual sites in each sub-area is considered in the following sections.

## Thundersley town centre and urban area

6.8 Existing employment sites within the town of Thundersley are generally clustered along the two primary A127 and A13 routes to the north and south of the town, connecting Thundersley with London and Southend. Sites in this area comprise a varied mix of offices, general industrial and some small warehouse and distribution units with a variety of ages and quality.

6.9 The largest of these is the **Manor Trading Estate** site (30 ha) located to the west of the town immediately adjacent to a large residential area. This established employment area is fully developed and predominantly made up of B2 and B1c units but also a small number of B1 office premises. Whilst there is reasonable access into (from a B road) and within the site, the internal access road is in poor condition in places and heavy vehicles using the single access are understood to cause disturbance to nearby residential areas. The estate mainly contains lower value industrial uses such as a scrap yard, vehicle related and waste transfer uses. Buildings show a significant amount of wear and the general environment is poor. Despite this, vacancy levels are low indicating the premises are adequate for some local needs. The site is slightly detached from Tarpots/Thundersley town centre and rail links but its location adjacent to a large residential area offers good access to the local labour force. Overall, this an average quality employment site for industrial uses, viewed by market agents as serving the middle of the market.

6.10 Lying to the north of the town adjoining the A127 London-Southend dual carriageway road, is **Lychgate Industrial Estate** (3 ha), an amalgamation of small scale, lower value industrial units. Whilst strategic road access to the site is very good, local access is difficult with a poor quality slipway/road in places, limited parking and loading space and the site is relatively remote from public transport. The site itself sits back from the road, lacks prominence and is characterised by low quality, low value units/containers creating a relatively poor environment. However, with low levels of vacancy these conditions appear to suit the needs of low value activities in the area. A small plot of land (approximately 0.5 ha) at the front of the site is currently vacant. The site's location within the Green Belt and Great Burches Landscape Improvement Area may limit scope for (re)development but overall this is an average quality site suited to industrial uses.

6.11 Just to the east of Lychgate lies the **Woodside Garden Centre and Nursery** (1.6 ha), occupied by a plant nursery and timber merchants. It benefits from a good strategic location, directly off the main A127 London-Southend road but via a steep, short slipway which could prove relatively tight for large vehicles. Existing units are modern and in good condition with no evidence of vacancy. Internal access roads appear to be in reasonable condition with plenty of parking and loading space. Despite good local road access, the site is situated on the northern edge of the Thundersley urban residential area and relatively remote from public transport and local services; Thundersley and Rayleigh town centres are approximately 2 km away. The site is fully developed and occupied, with limited scope for redevelopment in the short term, constrained by its Green Belt status and location within the Great Burches Landscape Improvement Area. Overall, this is a reasonably good quality site for its current use and for some industrial uses.

6.12 **Slatford Nursery** (1.6 ha) lies approximately 1 km to the east also benefiting from good strategic access directly onto the A127 via a tight, narrow slipway that has poor visibility from the main road. Nevertheless, the site has adequate parking and loading space with internal access roads in reasonable condition. As with the two previous sites, this site is relatively remote from public transport, local services and labour market. It is relatively large and partly developed and unlikely to be available for redevelopment over the short term. Adjoining uses are non-sensitive although the site sits within the Green Belt and Great Burches Landscape Improvement Area which could pose issues to (re)development.

6.13 To the south of the A127 within a semi rural part of Thundersley, lies the **Brickfields Industrial Estate** (2 ha) currently containing marble and granite works and storage. The site suffers from poor strategic and local access, remotely situated on a minor road in a rural location and approximately 1 km from the nearest A road. Existing industrial premises are in poor condition and steep sloping access to the site would constrain larger vehicles and traffic. The site is remote from urban and residential areas and inaccessible via public transport. Although the site is partly developed, new development is constrained by its Green Belt location and the Great Burches Landscape Improvement Area. Planning permission has recently been refused for B1 floorspace, parking and associated development and the site is currently for sale. Overall, this is a low quality employment location.

6.14 Adjoining the A129 to the east of Thundersley urban area, the site at **533 Rayleigh Road** (0.3 ha) accommodates mixed use industrial units. It benefits from good strategic access within 100m of the A127 London-Southend road, is close to Thundersley and Rayleigh residential areas and lies immediately opposite Stadium Way Trading Estate and Sainsbury's retail park with good public transport links. The site is fully developed but units are relatively old and in poor condition in places with one of the units fronting the A129 currently vacant but being marketed. Access onto the site is relatively tight but the site has reasonable internal access roads and adequate parking/loading space. With high occupancy, this is a small but reasonably good quality employment site.

6.15 Immediately opposite lies the **Stadium Way Industrial Estate** (8 ha), a mainly industrial area considered to be Castle Point's most preferable by commercial agents. The site boasts one of the best strategic locations in the borough, with a high profile, prominent position adjacent to main A127/A129 roads. Access to most of the site is via a wide service road off the A129 (shared with Sainsbury's retail park) with some units directly fronting the A127 via a slipway. The site mainly accommodates industrial buildings in a range of ages (most pre 1970) and sizes, all in good condition, but also a number of trade counters, car sales uses and some offices. Low levels of vacancy suggest that the site continues to provide fit-for-purpose employment space. Stadium Way also benefits from proximity to residential areas and a local labour force and lies within 100m of nine local bus routes and some 1.5 km from Rayleigh train station. The site has no available plots but overall provides a good quality employment area.

6.16 The **Castle Point Council Offices** site (1.6 ha) lies within a largely residential area to the south of Thundersley. With a prominent position on the main A13 route through the Borough, the site is occupied by a large purpose-built Council office block. Adjoining uses include a Council sports centre, community hall, further education college and residential. The site benefits from attractive landscaping and plenty of parking/loading space and while the main Council offices which front onto the A13 appear in good condition, temporary office units to the rear are significantly lower quality. The adjoining residential area provides good access to local workers but the site is remote from local services and public transport hubs. Adjoining uses could restrict industrial development. While there is some potential for commercial offices, the site's allocation for Local Government use within the Local Plan, its remote, out-of-centre location away from services, its low profile, and poor accessibility would all limit its potential for B Class offices and its layout may make it difficult to re-let to commercial office users. Overall, this site would be towards the lower end of the average quality employment sites.

6.17 Approximately 1 km to the west lies the **Hobson & Sons** manufacturing unit and offices (0.3 ha). At the junction of the main A13 with Kenneth Road with direct access onto Kenneth Road, this small site has plenty of on-site parking and loading space. Although slightly detached from Tarpots and Hadleigh town centres, it lies within a large residential area with good access to the local workforce and good public transport links. The site appears reasonably attractive with a high profile location adjacent to the A13 London-Southend road and good access. The layout of the single unit with offices on first floor and low ceiling height of industrial premises/low eaves may deter some potential occupiers although the site appears fully occupied at present. Overall this is an average quality site.

6.18 Immediately opposite lies the **Ex Social Services Building** site, a 0.2 ha cleared former industrial site that is currently vacant. It also occupies a prominent corner position adjacent to the main A13 London-Southend road. The site appears to have been vacant for a while, with little evidence of active marketing to potential developers. Adjoining residential use may constrain future redevelopment but the site itself appears to have no obvious development constraints. Despite being allocated as residential in the Local Plan, planning permission was granted in 2009 on appeal for an office building and staff gym with associated parking. This is an average quality site which provides an immediate opportunity for development and suited to B1 industrial or office use, or mixed use including offices.

6.19 **Canvey Supply** builder's merchants (0.7 ha) is located on the edge of Tarpots town centre in the west of Thundersley urban area. Currently occupied by a good quality, reasonably modern building, this site benefits from a wide access splay off the residential Waverley Road with plenty of parking and loading space on-site. With prominent corner frontage on the A13, the site has good road access, lies 0.5 km from Tarpots town centre and local services and is surrounded by the residential urban area of Thundersley with good access to the local labour force. The site is fully developed and occupied, but its close proximity to residential uses could constrain some employment uses if it were to be redeveloped in future. Overall, this is rated as a good quality employment site.

6.20 Immediately to the west lies **Beaver DIY**, a joiners and door manufacturers occupying a very small industrial site of approximately 0.05 ha. This site also benefits from good direct access to the A13, on-site parking and loading space at the front of the site. Close proximity to the large residential area of Thundersley, Tarpots town centre and local services and local bus routes are all beneficial. The site is fully developed and occupied with no obvious compatibility issues or constraints and is considered to be of average quality. However, the site is allocated for residential use in the Local Plan, which is likely to constrain any prospect of future B Class development.

## South Benfleet town centre and urban area

6.21 As a largely residential area, South Benfleet has relatively few employment sites, and these are concentrated along the main road (B1006) running through the urban area from north to south.

6.22 On the western edge of Tarpots town centre is the 0.07 ha **Shafers Arcade**, a mixed use arcade with first floor offices above ground floor retail units. The site has good local and strategic access, adjacent to High Road (B1006) and within 100m of the A13 London-Southend road. Its location within Tarpots town centre provides good access to local services, workers and public transport. Although there are no internal access roads or on-site space for parking, there is a public car park and bus stop immediately across the road from the site. The arcade building appears to be in reasonable condition with recently refurbished first floor office units which are currently vacant awaiting letting. The site's prominent position near to a busy junction and close proximity to the town centre make it reasonably attractive. There are no obvious constraints to development or conflicts with adjoining uses. Overall, within the local context, this is assessed as a good quality site for office use.

6.23 Adjacent to the B1006 (High Rd) and Kents Hill Rd within the centre of South Benfleet are **Various Depots and Workshops** spread over a 0.7 ha site containing a mix of showroom, shop and office uses. The site has narrow internal access roads with limited parking space. A location within the South Benfleet urban centre allows good access to local services and labour force, and the nearest rail station (Benfleet) is within 1.5 km. The majority of units appear to be in good condition and some vacant units are being actively marketed. This site is allocated for shopping in the Local Plan but is fully developed and occupied, limiting scope for retail redevelopment in the short term. Overall, this is an average quality employment site still reasonably well suited to small scale industrial or office uses.

6.24 To the south lies a cleared and levelled former industrial site on the **Corner of Brook Road and Hall Farm Road.** Situated just off the B1006 near South Benfleet High Street, this 0.2 ha site is currently vacant and available for redevelopment in the short-term. Although allocated for shopping in the Local Plan, planning permission was granted for residential development in 2008 (now expired) making new industrial development unlikely. The site suffers from relatively poor access down a narrow residential road backing off South Benfleet High Street and is adjoined on three sides by narrow, congested residential roads. Proximity to the town's urban and residential area provides good access to local services and labour but the site is quite large for a purely office development in this location and poor road access and adjoining residential uses and a care home make it less suitable for industrial use. Overall, this is a relatively poor quality employment site but may have some potential for a mixed use scheme with some offices.

## Hadleigh town centre and urban area

6.25 Immediately south of Hadleigh town centre lies **Endway and Crucible Houses,** a small site comprising approximately 0.03 ha of reasonably modern industrial/office units on two floors. While the site benefits from good access to local services and labour, it is relatively isolated from strategic roads. Access is via a one-way side road unsuitable for larger vehicles. Although there is very limited on-site parking, the site adjoins a free public car park and is located within 100m of seven local bus routes. Both units are relatively modern, in good condition and occupied, although their low profile may prove less attractive to some occupiers. The site is allocated for shopping and as a Car Park in the Local Plan but current occupation suggests limited scope for redevelopment in the short term. Overall this is a reasonable quality employment site for B1 uses.

6.26 Approximately 0.5 km east of Hadleigh town centre, **Johnsons Apparel** clothing manufacturers occupies a 0.4 ha site with direct access onto the A13 London-Southend road. The site has good local road access and adequate parking and loading areas to the rear. Occupied by an older industrial unit, the site appears fully occupied and in reasonable condition and has a prominent, high profile position on one of Castle Point's key roads. Although it appears to function well in its current use, the site is allocated for shopping in the Local Plan. Adjoining residential uses to the north could also constrain the type of any redevelopment if the current occupier were to move out. Overall, however, this is an average quality site reasonably well suited to continued industrial use, and possibly some office use.

6.27 Immediately adjacent to the A129/A13 roundabout junction lies a 0.9 ha site accommodating **Various Workshops and Businesses** with a mix of retail and industrial units, leisure and restaurant uses. The site lies to the west of the Hadleigh urban area and in close proximity to local services and facilities, with a large residential area and labour force nearby. However, being adjacent to a busy roundabout with heavy traffic limits access into the site. A narrow internal access road leads to only part of the site although there is limited parking space and a number of local bus stops nearby. Relatively modern units appear to be in reasonable condition, fully occupied and suited to lower cost activities. The site is allocated for shopping in the Local Plan and appears suited to continued mixed industrial/retail use.

6.28 To the west of Hadleigh town centre lies **Thames Loose Leaf**, a 0.2 ha site occupied by a stationery manufacturers in a good quality, modern industrial unit. Although the site fronts onto the main A13 London-Southend road, it lies within a built up area approximately 4 km from the strategic junction with the A130. Whilst slightly detached from the Hadleigh urban area and local services and facilities, it lies within a large residential area with good access to local labour. Proximity to a busy roundabout junction and a tight turning/entrance into site constrain access although the internal access road appears adequate. The site is fully developed and occupied, suggesting limited scope for redevelopment in the short term. Although allocated for residential use in the Local Plan, this is an average quality employment site reasonably suited to its current industrial use.

## Canvey Island town centre and urban area

### Existing sites

6.29 Located at the far eastern tip of the Canvey Island urban area, **Canvey Supply** is a small industrial estate of some 1.7 ha. Approximately 5 km from the nearest main road (A130) and accessible only by a one-way narrow residential B road (B1014), this site suffers from limited strategic and local accessibility. However, it has plenty of car parking and loading space with a wide entrance off a mini roundabout with no evidence of vacancy. Although within a large residential area, it is relatively detached from Canvey Island town centre (approx 2 km) and local services. Although the site has been fully developed for industrial uses, it is allocated as a residential site in the Local Plan (with an undetermined planning application for residential). Overall, it is at the lower end of the average quality employment sites but good occupation levels suggest it continues to meet local needs for its current uses.

6.30 Adjacent to Canvey Supply lies the **Prout & Point Industrial Estates** covering a site of approximately 1 ha. This site suffers from the same strategic accessibility constraints as others in the area although its older units appear well maintained with no evidence of vacancy. Its proximity to the Canvey Supply site poses no obvious compatibility issues although residential uses adjoin to the east. The site is adjacent to the coastal protection belt and its location near to the Thames estuary and Smallgains Creek may pose some risk of flooding. This site is also allocated for residential use in the Local Plan. As with Canvey Supply, it is at the lower end of the average quality employment sites but it also appears adequate to meet local needs in its current use.

6.31 Located within the north eastern residential area of Canvey Island and approximately 1 km from the town centre, the 0.3 ha **Corner Club and Yards** site is occupied by a social club and small industrial units behind it. Whilst the site benefits from good local access fronting onto the B1014, strategic access is relatively poor with the A130 some 3 km away. Part of the site is currently being marketed. On the road frontage is a modern building (occupied by Corner Club) with land to the rear accessed by a narrow access road in poor condition. Residential uses adjoin on two sides although there appear to be no other obvious constraints to development. Although the site is allocated for residential use in Local Plan, planning permission was recently granted for continued use by drinking establishment. Overall this is a lower average quality employment site reasonably suited to small scale B1 uses.

6.32 Just to the west lies **125 High Street (Canvey Island),** a group of small industrial units and secure lock-up facilities occupying a 0.2 ha site. Its relative isolation from key routes gives this site relatively poor strategic accessibility. Local accessibility is good, and the adjoining residential area provides good access to a local labour supply. However, site access off the B1014 is relatively tight with a narrow internal access road. Close proximity to residential uses may pose a potential conflict, although the nature of the current industrial use (secure lock-up/storage) may not cause problems. Some of the lock-ups are vacant and being marketed and, although fairly old, appear fit for purpose. The site is allocated for shopping in the Local Plan although reasonably detached from Canvey Island town/retail centre. Overall this is a lower average quality site which appears to meet local needs for low cost storage units.

6.33 To the far south of Canvey Island and adjacent to the Thames Estuary lies the 68.7 ha **Gas and oil Receptor and Storage Facilities** site. In an isolated location approximately 1 km from the Canvey Island urban area and strategic roads, the site is accessible by two dedicated access roads. Due to the operational nature of site use (hazardous gas and oil receptor/storage) it is located away (approx 0.5 km) from residential areas although the local workforce is in reasonably close proximity. The sites appear fully occupied and adjoining greenfield land and the Thames estuary pose no constraints to future redevelopment although an adjacent caravan/leisure park may constrain expansion. Proximity to the Thames estuary may raise flood risk issues, although the area is protected by flood defences. The site may be less attractive to other uses if current operations ceased but, overall, this site appears well suited to large scale, hazardous operations requiring direct river access and is ranked as average quality overall.

6.34 **Charfleets Industrial Estate** (28 ha) is Canvey Island's largest employment site on the edge of the urban area although in a relatively remote location on the southern edge of the borough. This large site benefits from a high profile position on one of the two main routes in/out of Canvey Island and adjacent to the main A130 road. Internal roads are in reasonable condition with several access roads in and out of estate to reduce congestion. With 8 local bus routes, access to the local labour force is good but, apart from the large adjacent Morrisons retail development, the site is relatively isolated from local services in Canvey Island town centre approximately 2 km away. The estate contains a mix of average to poor quality but mainly older units, and the environment is poor, although vacancy is low. Charfleets appears to serve the lower end of the industrial market with a range of manufacturing, bad neighbour uses and vehicle related activities. There are potential flood risk issues, although the area is protected by sea defences. Overall this is an average quality employment site adequately serving many local industrial needs in Canvey Island but requiring significant modernisation of its stock.

### Allocated sites

6.35 Immediately to the south lies a 10.5 ha site **allocated for expansion of Charfleets Industrial Estate**. This is an undeveloped greenfield site adjacent to Roscommon Way and proposed for extension of that estate. This site benefits from good strategic access within 1 km of the main A130 as well as good local access via Roscommon Way (a new entrance/slipway has recently been constructed). However, the site has relatively poor access to public transport routes and the nearest train station (Benfleet) and is relatively isolated from local services and facilities. The site's proximity to the established Charfleets Industrial Estate gives it reasonably good profile. There is some indication of drainage issues on the site and potential flood risk issues but, overall, this is an average quality industrial site available for development in the short-term.

6.36 The second allocated undeveloped site in Canvey Island at **Northwick Road** comprises approximately 21.4 ha overall although only some 9 ha is available due to an SSSI on the southern half of the site. Adjacent to Northwick Road and Roscommon Way and within 1 km of the A130, it is one of the best performing sites in terms of strategic accessibility. It also benefits from good local access via two recently constructed roundabouts and plenty on-site parking /loading space but it is relatively isolated from public transport. There are potential flood risk issues, although this area is protected by sea defences. Despite a prominent position on Roscommon Way beside the new Morrisons retail development and Charfleets Industrial Estate, its relatively remote location could act as a deterrent for some non-local occupiers. On balance, this is an average quality employment site but available in the short-term.

6.37 The assessment of all these sites is drawn together in Table 6.3 at the end of this section, which ranks each site according to its overall score over all criteria. In summary, this indicates that the great majority (98%) of the current supply of employment land is of good or average quality, although mostly in the average category.

## Available Development Land

6.38 Although some 184 ha of employment land exists across the above sites, the amount of developable land remaining is much less. Table 6.2 below summarises the potential supply position from available allocated land and undeveloped land on other employment areas. This estimates the current supply of undeveloped employment land and development opportunities at 32.75 ha. Most of the land available to meet future needs is of average quality.

Table 6.2: Undeveloped Employment Land & Potential Redevelopment Opportunities

<table>
<tr><th>Site Name</th><th>Location</th><th>Size (ha)</th><th>Comment</th><th>Potential Uses</th><th>Time scale (years)</th><th>Score (out of 30)</th><th>Rank</th></tr>
<tr><td>Lychgate Industrial Estate</td><td>Thundersley</td><td>0.5</td><td>Vacant plot within estate</td><td>B1c, B2, B8</td><td>6-10</td><td>23</td><td rowspan="7">Average</td></tr>
<tr><td>Slatford Nursery</td><td>Thundersley</td><td>0.5</td><td>Vacant plot within site</td><td>B1c, B2, B8</td><td>6-10</td><td>23</td></tr>
<tr><td>Undeveloped site – South of Northwick Rd</td><td>Canvey Island</td><td>9.05*</td><td>Greenfield site</td><td>B1c, B2, B8</td><td>0-5</td><td>23</td></tr>
<tr><td>Ex Social Services Building</td><td>Thundersley</td><td>0.21</td><td>Out-of-centre</td><td>B1 - B8</td><td>0-5</td><td>22</td></tr>
<tr><td>Undeveloped Site – South of Roscommon Way</td><td>Canvey Island</td><td>10.52</td><td>Greenfield serviced site</td><td>B1c, B2, B8</td><td>0-5</td><td>22</td></tr>
<tr><td>Manor Trading Estate (vacant plot)</td><td>Thundersley</td><td>0.25</td><td>Vacant plot within estate</td><td>B1c, B2, B8</td><td>0-5</td><td>20</td></tr>
<tr><td>Gas and oil Receptor and Storage Facilities</td><td>Canvey Island</td><td>10.0</td><td>Vacant land within site</td><td>B2, B8</td><td>0-5</td><td>21</td></tr>
<tr><td>Corner of Brook Road /Hall Farm Rd</td><td>South Benfleet</td><td>0.23</td><td>Cleared site</td><td>B1</td><td>0-5</td><td>15</td><td rowspan="2">Low</td></tr>
<tr><td>Brickfields Industrial Estate</td><td>Thundersley</td><td>1.5</td><td>Site in Green Belt</td><td>B1,B2</td><td>0-5</td><td>14</td></tr>
<tr><td colspan="2">Total</td><td>32.76</td><td colspan="5"></td></tr>
</table>

* after discounting southern part of the designated as a Site of Special Scientific Interest (SSSI)

6.39 This 32.76 ha also represents the 'maximum' case – the total amount of land theoretically available to accommodate employment development. There is, however, some uncertainty as to how much of this land will realistically come forward for employment uses. In particular, the following factors may limit the following sites coming forward for employment development:

a the isolated Brickfields Industrial Estate (1.5 ha of undeveloped land) appears unlikely to provide new employment space given its Green Belt status, isolated location and recent refusal for B1 development;

b the 0.23 ha site on the Corner of Brook Road and Hall Farm Road lies in a residential area beside a care home and has planning permission for residential use, making industrial/employment development very unlikely.

c the 10 ha of land adjoining the oil and gas storage facility on the Thames Estuary, which is a hazard site, is probably suitable only for expansion of these facilities, would not be available for general use by other firms and should not form part of the general employment land supply.

6.40 If these three sites, which were assessed as low or lower average quality, were discounted from the potential land supply, this would reduce the amount of developable employment land reasonably likely to come forward to meet future needs by 11.7 ha to 21 ha.

6.41 In addition, 12 of the 27 sites assessed are allocated for either residential, retail or parking use in the Local Plan, even though they are currently occupied by B class uses, and this suggests a reduction in the current supply of employment land over time.

6.42 None of this available land is assessed as good quality by the study. All of it is on average quality sites. Moreover, the two allocations in Canvey Island together form 94% of the total available so there is significant reliance upon these sites coming forward and relatively limited provision elsewhere in the borough. The majority of undeveloped land is anticipated to come forward for development within 5 years, with a further 1 ha potentially developable within the next 10 years.

6.43 If this supply of more realistic development sites came forward for the type of development they are best suited for, this amount of land could theoretically accommodate some 84,000 m$^2$ of industrial space but with no sites specifically aimed at providing new office space.[10] This would be broadly equivalent to 60 years of industrial supply at recent gross completion rates in the Borough.[11] While applying historic take up rates for a period which may have been constrained by a lack of suitable sites as well as depressed economic conditions may give a misleading impression, this suggests a large amount of employment land supply relative to demand.

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[10] Capacity based on applying typical plot ratios to site areas

[11] Based on past annual take up of 910 m$^2$ for industrial and 490 m$^2$ for office space

## Conclusions

6.44 Overall, the Borough contains a reasonable range of industrial sites of differing quality and type but a very limited range of office sites in the urban areas of Thundersley, South Benfleet, Hadleigh and Canvey Island.

6.45 Of the sites assessed through this study, around 72% of the employment land area is located within the Canvey Island area, with some 27% in Thundersley, and less than 1% within the South Benfleet and Hadleigh urban areas.

6.46 This assessment has identified six existing sites of good quality (providing 11.1 ha land) making up just 6% of total supply (Table 6.3). In addition, 19 of the assessed sites are of average quality (providing 170 ha) and two sites (2.3 ha) of lower quality. This indicates that the great majority (98%) of the current supply of employment land is of good or average quality, although mostly in the average category. However, all of the land recognised as available to meet future needs is of average to poor quality and some of it not particularly attractive to the market.

6.47 Of the six sites that rated as 'good' in terms of the assessment criteria used, five are within Thundersley and one within South Benfleet, partly reflecting these towns' better access to roads, public transport, labour supply and services. However, there appear to be very few good existing office sites in the Borough, and these are primarily within Thundersley and Hadleigh with extremely limited provision elsewhere.

6.48 One of the two lower quality sites lies in the more rural area of Thundersley which suffers from more limited access to strategic roads, public transport and labour supply. The second site suffers from poor accessibility despite being located near South Benfleet town centre.

6.49 The Borough's two allocated sites South of Northwick Road and Roscommon Way appear reasonably suited to meet future needs although their proximity to the Thames estuary and potential drainage issues may deter development. However, this means that over 90% of the borough's allocated employment land is in Canvey Island with limited supply elsewhere to meet future demand.

6.50 While some 32.7 ha of undeveloped land was identified with potential for employment development, not all of this is certain to come forward for such uses within a reasonable timescale. Taking account of potential constraints, the amount of land which would have more realistic prospects of coming forward to meet future employment needs amounts to about 21 ha. However, this is all in Canvey and may not be attractive to firms in other parts of the Borough.

Table 6.3: Qualitative Assessment of Existing and Developed Employment Sites in Castle Point

| Site Name | Location | Size (ha) | Sequential Status | Potential Uses | Score (out of 30) | Rank |
|---|---|---|---|---|---|---|
| Stadium Way Ind Estate | Thundersley | 8.5 | Out-of-centre | B1 a), B1(c), B2, B8 | 27 | Good |
| Shafers Arcade | South Benfleet | 0.07 | Town centre | B1(a) | 27 | |
| Canvey Supply, Benfleet | Thundersley | 0.65 | Edge of centre | B1(c), B2, B8 | 25 | |
| 533 Rayleigh Road | Thundersley | 0.26 | Out-of-centre | B1(a), B1(c), B8 | 24 | |
| Beaver DIY | Thundersley | 0.05 | Edge of centre | B1(c), B2, B8 | 24 | |
| Woodside Garden Centre and Nursery | Thundersley | 1.6 | Out-of-centre | B1(c), B2, B8 | 24 | |
| Lychgate Industrial Estate | Thundersley | 3.0 | Out-of-centre | B1(c), B2, B8 | 23 | Average |
| Slatford Nursery | Thundersley | 1.6 | Out-of-centre | B1(c), B2, B8 | 23 | |
| Undeveloped site – South of Northwick Rd | Canvey Island | 21.4 | Out-of-centre | B1(c), B2, B8 | 23 | |
| Hobson and Sons | Thundersley | 0.3 | Out-of-centre | B1(c), B2, B8 | 22 | |
| Ex Social Services Building | Thundersley | 0.2 | Out-of-centre | B1 | 22 | |
| Endway &Crucible Houses | Hadleigh | 0.03 | Town centre | B1(a), B1(c) | 22 | |
| Undeveloped Site – South Roscommon Way | Canvey Island | 10.5 | Out-of-centre | B1(c), B2, B8 | 22 | |
| Charfleets Industrial Estate | Canvey Island | 27.8 | Out-of-centre | B1(c), B2, B8 | 22 | |
| Gas and oil Receptor and Storage Facilities | Canvey Island | 68.7 | Out-of-centre | B2, B8 | 21 | |
| Various Workshops and Businesses (Hadleigh) | Hadleigh | 0.9 | Edge of centre | B1 | 21 | |
| Johnsons Apparel | Hadleigh | 0.4 | Town centre | B1(c), B8 | 21 | |
| Manor Trading Estate | Thundersley | 30.0 | Out-of-centre | B1(c), B2, B8 | 20 | |
| Thames Loose Leaf | Hadleigh | 0.17 | Edge of centre | B1(c), B2, B8 | 20 | |
| Council Offices inc. White House | Thundersley | 1.6 | Out-of-centre | B1 | 19 | |
| Various Depots and Workshops | South Benfleet | 0.7 | Town centre | B1, B2 | 19 | |
| Canvey Supply (Canvey Island) | Canvey Island | 1.7 | Out-of-centre | B1(c), B2, B8 | 18 | |
| Prout and Point Industrial Estates | Canvey Island | 1.0 | Out-of-centre | B1(c), B2, B8 | 17 | |
| Corner Club and Yards | Canvey Island | 0.3 | Edge of centre | B1 | 17 | |
| 125 High Street (Canvey Island) | Canvey Island | 0.2 | Town centre | B1 | 16 | |
| Corner of Brook Road and Hall Farm Road | South Benfleet | 0.2 | Town centre | B1 | 15 | Low |
| Brickfields Industrial Estate | Thundersley | 2.0 | Out-of-centre | B1(c), B2 | 14 | |
| **Total** | | **83.8** | | | | |

6.53 The potential to release some of the smaller, poorer performing, employment sites has been considered. However, some of these sites are occupied and serve a local need at some level while others that are cleared and currently lying empty may be stronger candidates for release particularly in light of guidance by the recently published NPPF. Some of the employment sites that were assessed currently have planning permission for residential use, making future industrial development unlikely in the current market. Any decision to release or retain such sites should take account of any surplus or current land supply, what types of sites are needed for qualitative reasons and whether better replacements can be found. More detailed consideration as to the potential to release poorer employment sites is therefore provided after the analysis of future land needs in Chapter 11.

# 7.0 Future Requirements for B Class Employment Space

7.1 This section assesses B Class employment space requirements in Castle Point in the period to 2031 using several different approaches:

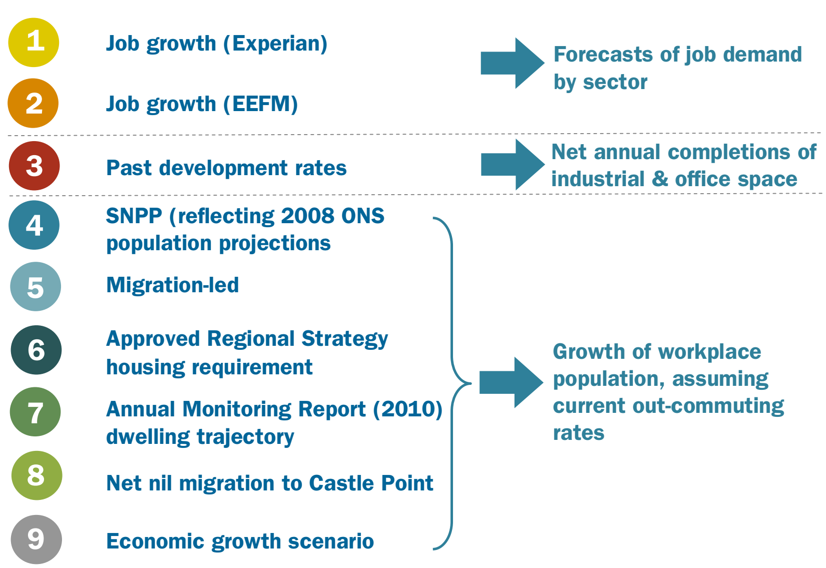
a forecasts of employment growth in the main B class sectors (**labour demand**);

b consideration of **past trends in completions of employment space**, and how these might change in future;

c estimating future growth of local **labour supply** related to planned housing provision and the amount of jobs and employment space that this can support.

7.2 Forecasts of future demand for employment space have been made for various different growth scenarios for Castle Point, mainly provided by Essex County Council but one commissioned by the consultants from Experian. The first two scenarios use employment growth projections, the third uses past take-up trends while the next five reflect different levels of housing and population growth in the Borough, constrained in different ways. The last scenario is based on employment growth forecasts from the  Autumn 2010 East of England Forecast Model and constrained by labour supply. These scenarios are outlined in Figure 7.1 and detailed below.

Figure 7.1 Outline of Approach to Scenarios




Source: NLP

7.3 All these approaches have some limitations and careful thought needs to be given as to how appropriate each is to circumstances in Castle Point. In addition, to be robust, the economic growth potential and likely demand for employment space in Castle Point should consider lower or higher economic growth conditions arising in future.

## Scenario 1: Job Growth (Experian Forecasts)

7.4 Forecasts of job growth for Castle Point Borough up to 2031 were commissioned from Experian. Such forecasts tend to be most reliable at regional and national scales and consequently less so at the local economy level, but are widely recognised as a valuable input and can indicate the broad scale and direction of economic growth in different sectors and provide some indicators to help assess future land requirements.

7.5 The forecasts of job growth by sector used here reflect recent trends and are based on projections at regional level, and how economic sectors in Castle Point have fared relative to the region's growth in the past. These forecasts also reflect the current post-recession economic climate.

7.6 The overall employment change in Castle Point resulting from these forecasts is shown in Table 7.1 along with expected job growth in the main B class sectors. This includes an allowance for jobs in other non B class sectors that typically utilise industrial or office space, such as some construction uses, vehicle repair, courier services, road transport and cargo handling and some public administration offices (see Appendix 3). This indicates low net job gains (578 jobs) in the B-use classes in Castle Point over the period to 2031, with strong growth in office based activities, modest job gains in distribution employment and moderate losses in manufacturing jobs. This is within the context of overall job growth of 3,120 jobs predicted for the Borough over the period, which outside the B Class sectors are predicted to be mainly in the education, health, and to some extent retail, sectors.

Table 7.1 Forecast Employment Change in Castle Point Borough 2012-2031

| | No. of Jobs | | Change |
|---|---|---|---|
| | 2012 | 2031 | 2012-2031 |
| Manufacturing (B1c/B2)* | 3,197 | 2,620 | -577 |
| Distribution (B8)** | 1,333 | 1,406 | 73 |
| Offices (B1a/b)*** | 3,001 | 4,083 | 1,082 |
| **Total B-class Jobs** | **7,531** | **8,108** | **578** |
| **Jobs in All Sectors** | **24,133** | **27,252** | **3,120** |

Source: Experian / NLP analysis 2012 - total jobs including self-employed

* includes vehicle repair and some construction activities ** includes parts of transport & communications sectors that use industrial land *** includes a proportion of government offices

7.7 These job forecasts for Castle Point are then converted to future employment space requirements assuming typical ratios of jobs to floorspace for the different B uses.[12] To estimate space needs, an average ratio of 1 job per 43 $m^2$ gross is assumed for manufacturing space. For distribution, 1 job per 65 $m^2$ is assumed for general and smaller scale warehousing, which is more likely for Castle Point. Business and financial services jobs are taken to be the main requirements for B1 office space, at a general office ratio of 1 job per 10.5 $m^2$.

7.8 An allowance of 10% is added to all floorspace requirements to reflect a normal level of market vacancy in employment space. Where a reduction in jobs is forecast, the associated negative floorspace was halved, to reflect the fact that not all of this employment space is likely to be lost. This produces a relatively small net increase of just 4,000 $m^2$ of employment space required (Table 7.2), made up primarily of office and distribution.

Table 7.2 Experian Job Growth based Employment Space Requirements in Castle Point, 2012-2031

| | Floorspace ($m^2$) |
|---|---|
| Manufacturing (B1c/B2) | -13,641 |
| Distribution (B8) | 5,205 |
| Offices (B1a/b) | 12,494 |
| **Total** | **4,060** |

Source: NLP analysis

7.9 This forecast net increase of 578 B Class jobs over a 19-year period, which underpins this estimate of future employment space needs, is equivalent to an average of 30 additional jobs each year. This is slightly higher than the job growth achieved in Castle Point since 1998. Between 1998 and 2008, Annual Business Inquiry data indicates that B class jobs in the Borough declined by approximately 35 jobs per annum, driven largely by a decline in manufacturing which saw total employment almost halve over this period. On the basis of past performance, the above employment space forecasts could be regarded as a reasonably optimistic estimate.

## Scenario 2: Job Growth (EEFM Forecasts)

7.10 Forecasts of job growth for Castle Point Borough up to 2031 were also obtained from the East of England Forecasting Model (EEFM), developed to project economic, demographic and housing trends in a consistent fashion across the East of England region and sub-regions.

[12] Based on HCA/Offpat Employment Densities Guide, 2010

7.11 Overall employment change in Castle Point resulting from these forecasts is shown in Table 7.3 along with expected job growth in the main B class sectors. This includes an allowance for jobs in other non B class sectors as in Scenario 1. This indicates somewhat higher net job gains (947 jobs) in the B-use classes up to 2031, again with strong growth in office based activities, minimal job change in distribution employment and reduced losses in manufacturing jobs. However, the forecast 2,100 overall job growth from the EEFM model is one third lower than the Experian forecast, suggesting a lower contribution from Non B class uses in Castle Point in future.

Table 7.3 Forecast Employment Change in Castle Point Borough 2012-2031

| | No. of Jobs | | Change |
|---|---|---|---|
| | 2012 | 2031 | 2012-2031 |
| Manufacturing (B1c/B2)* | 3,269 | 2,849 | -420 |
| Distribution (B8)** | 1,502 | 1,573 | 71 |
| Offices (B1a/b)*** | 4,036 | 5,332 | 1,296 |
| **Total B-class Jobs** | **8,807** | **9,754** | **947** |
| **Jobs in All Sectors** | **25,400** | **27,500** | **2,100** |

Source: EEFM / NLP analysis 2012 - total jobs including self-employed

* includes vehicle repair and some construction activities ** includes parts of transport & communications sectors that use industrial land *** includes a proportion of government offices

7.12 Using the same approach as for Scenario 1, these EEFM job forecasts were converted to future employment space requirements (Table 7.4). This produces a net floorspace requirement almost double that of Scenario1, mainly due to the lower losses of manufacturing space predicted.

Table 7.4 EEFM Job Growth based Employment Space Requirements in Castle Point, 2012-2031

| | Floorspace ($m^2$) |
|---|---|
| Manufacturing (B1c/B2) | -9,933 |
| Distribution (B8) | 5,077 |
| Offices (B1a/b) | 14,969 |
| **Total** | **10,112** |

Source: NLP analysis

7.13 The forecast net increase of 947 B Class jobs over a 19-year period equates to an average 50 additional jobs per year, suggesting that these employment space forecasts represent an even more optimistic estimate than Scenario 1 and past trends.

## Scenario 3: Past Development Rates

7.14 Because they reflect market demand and actual development patterns on the ground, in some situations long term completion rates of employment floorspace can provide a reasonable basis for informing future land needs, particularly where land supply or demand has not been unduly constrained historically. However, the future demand picture may not reflect past trends and some adjustments may be needed.

7.15 Data on past completions by B class sector was provided by Castle Point Council. Completions in the period 2004-2011 have been analysed, since this is a reasonably long period although somewhat less than a full business cycle. Over this period, average annual net completions for B Class uses amounted to some 1,115 $m^2$, broken down as shown in Table 7.5). Just over one third (36%) of net completions were for industrial space, with just under two thirds (64%) for offices. Gross completions were higher, at an average of over 1,400 $m^2$ annually, but this masks some losses of employment space within development schemes.

Table 7.5 Annual Net Completion Rates in Castle Point, 2004-11

| Sector (Use Class) | Net annual completion ($m^2$) | Gross annual completion ($m^2$) |
|---|---|---|
| Manufacturing (B1c/B2) | 190 | 484 |
| Distribution (B8) | 214 | 214 |
| Office space (B1a) | 711 | 711 |
| **All** | **1,115** | **1,408** |

Source: Castle Point Council Annual Monitoring Reports 2004-11

7.16 One view of future growth in Castle Point could simply assume that future development rates carry on at the long term average achieved in the past. If it were assumed that the past net completion rates noted above continued in the 19 years between 2012-2031, this would equate to a need for almost 13,510 $m^2$ of office space, and nearly 7,600 $m^2$ of industrial space. In total, this would indicate demand for approximately 21,100 $m^2$ of employment space by 2031, a figure more than double that estimated using the more optimistic job based forecasts (Table 7.6).

Table 7.6 Employment Space Requirement based on Past Trends Continuing, 2012-31

| Sector (Use Class) | Assumed annual completion rate ($m^2$) | Floorspace Required ($m^2$) * |
|---|---|---|
| Industrial (B1c/B2/B8) | 400 | 7,600 |
| Office space (B1a) | 710 | 13,490 |
| **All** | **1,110** | **21,090** |

Source: NLP analysis * totals rounded

7.17 This approach assumes that past trends of B Class development would continue unchanged, and may not fully reflect changes in the economy once it fully recovers from recession. It may also underestimate future demand if the supply was constrained in the past, for example because of poor sites available or infrastructure/funding factors. Some adjustments to past completion rates may be needed to reflect such factors.

## Future Labour Supply

7.18 It is also important to consider how many jobs, and hence how much employment space, would be needed to broadly match forecast growth of the Borough's resident workforce. In contrast to the two preceding approaches, this forecasts the supply of labour rather than labour demand, based upon different levels of housing and population growth in the Borough. It then estimates the number of new jobs needed to take-up this future supply of workers and minimise local unemployment, and how much employment space would be needed to accommodate these jobs.

7.19 The following six scenarios were provided by Castle Point Borough Council, and are presented in detail in the Greater Essex Demographic Forecasts report.[13] For each scenario, an annual dwelling and job target is provided for the period 2010-2033, which were then adjusted on a pro-rata basis for the plan period 2012-2031. It is understood that the job/labour figures for these scenarios already reflect assumptions on commuting patterns in the area, and no further adjustment in that regard has been made in this study.

### Scenario 4: Sub National Population Projections (SNPP)

7.20 This is a 'trend' scenario which reproduces the 2008-based sub-national population projections (SNPP) from ONS.

Table 7.7 Scenario 4: Forecast Labour Supply/Job Requirement in Castle Point to 2031

| | Average per year (2010-2033) | Change 2012-2031 |
|---|---|---|
| Dwellings | 346 | 6,574 |
| Jobs/Workforce labour supply | 25 | 475 |
| **B-class job requirement** | **n/a** | **143** |

Source: Castle Point Borough Council / Edge Analytics / NLP analysis

7.21 The workplace labour supply forecasts indicate an increase of 475 workers in the Borough by 2031 (Table 7.7). From these forecasts, the number of B Class jobs required was estimated assuming one additional job would be required for

[13] Greater Essex Demographic Forecasts, Edge Analytics, March 2012

each additional worker forecast and based on the forecast proportion of B Class jobs within total jobs in Castle Point for 2031 (30%).[14]

## Scenario 5: Migration-Led

7.22 This scenario uses additional evidence from 2009-2010 mid-year estimates to update the ONS trend forecast used in Scenario 4 and produce a migration-led trend estimate. It forecasts a decrease of 1,463 workers in the Borough by 2031 (Table 7.8), within which there would be a fall of 439 B Class jobs. This approach assumes a 1:1 ratio between jobs and workers and splits jobs by type based on the forecast proportion of B Class jobs within total jobs in Castle Point by 2031.

Table 7.8 Scenario 5: Forecast Labour Supply/Job Requirement in Castle Point to 2031

| | Average per year (2010-2033) | Change 2012-2031 |
|---|---|---|
| Dwellings | 227 | 4,313 |
| Jobs/Workforce labour supply | -77 | -1,463 |
| **B-class job requirement** | **n/a** | **-439** |

Source: Castle Point Borough Council / Edge Analytics / NLP analysis

## Scenario 6: Approved RSS

7.23 This is a ‘dwelling-constrained’ scenario that is controlled by the annual rate of dwelling provision for Castle Point set out in Policy H1 of the Approved Regional Spatial Strategy (RSS) for the East of England.

7.24 This scenario forecasts a decline of 1,805 workers across the Borough between 2012 and 2031 (Table 7.9). Using the same approach as for Scenario 5, it is estimated that this will result in 542 less B class jobs being required.

Table 7.9 Scenario 6: Forecast Labour Supply/Job Requirement in Castle Point to 2031

| | Average per year (2010-2033) | Change 2012-2031 |
|---|---|---|
| Dwellings | 200 | 3,800 |
| Jobs/Workforce labour supply | -95 | -1,805 |
| **B-class job requirement** | **n/a** | **-542** |

Source: Castle Point Borough Council / Edge Analytics / NLP analysis

[14] Source: Experian employment forecasts, 2012

## Scenario 7: Annual Monitoring Report Dwelling Target

7.25 This ‘dwelling-constrained’ scenario is controlled by the new housing development trajectory in Castle Point’s 2010 Annual Monitoring Report (AMR). As shown in

7.26 Table 7.10, this scenario forecasts a decrease of 2,850 total jobs in the Borough by 2031, within which there would be a fall of 855 B class jobs.

Table 7.10 Scenario 7: Forecast Labour Supply/Job Requirement in Castle Point to 2031

| | Average per year (2010-2033) | Change 2012-2031 |
|---|---|---|
| Dwellings | 113 | 2,147 |
| Jobs/Workforce labour supply | -150 | -2,850 |
| **B-class job requirement** | **n/a** | **-855** |

Source: Castle Point Borough Council / Edge Analytics / NLP analysis

## Scenario 8: Net Nil Migration

7.27 This ‘trend’ scenario maintains in-migration and out-migration to Castle Point but sets the net balance to be zero. Adopting this approach would lead to an estimated decline of 4,655 jobs in Castle Point between 2012 and 2031. Some 30% (almost 1,400) of this fall is forecast to be B class jobs.

Table 7.11 Scenario 8: Forecast Labour Supply/Job Requirement in Castle Point to 2031

| | Average per year (2010-2033) | Change 2012-2031 |
|---|---|---|
| Dwellings | -24 | -456 |
| Jobs/Workforce labour supply | -245 | -4,655 |
| **B-class job requirement** | **n/a** | **-1,397** |

Source: Castle Point Borough Council / Edge Analytics / NLP analysis

## Scenario 9: Economic Growth Scenario

7.28 This is a ‘labour-force constrained’ scenario which **constrains** future population and household growth to the economic baseline forecast of Autumn 2010 produced by the East of England Forecasting Model (EEFM). The workplace labour supply forecasts indicate an increase of 1,311 workers in the Borough by 2031 (Table 7.12). The number of additional B Class jobs required is estimated to be 393.

Table 7.12 Scenario 9: Forecast Labour Supply/Job Requirement in Castle Point to 2031

| | Average per year (2010-2033) | Change 2012-2031 |
|---|---|---|
| Dwellings | 452 | 8,588 |
| Jobs/Workforce labour supply | 69 | 1,311 |
| **B-class job requirement** | **n/a** | **393** |

Source: Castle Point Borough Council / Edge Analytics / NLP analysis

## Future labour supply: net employment space requirements

7.29 The resulting job numbers from scenarios 4 to 9 were then translated into estimated requirements for B class employment floorspace by applying the same job/floorspace ratios used in the job growth based approach and adding a 10% vacancy allowance.

7.30 The floorspace estimates for manufacturing and warehousing space were combined since these two sectors typically occupy the same types of sites at similar development densities. Where a reduction in jobs is forecast, the associated negative floorspace was halved, to reflect the fact that not all of this employment space is likely to be lost.

7.31 Table 7.13 below summarises the net floorspace requirement up to 2031 arising from each of the demographic scenarios.

Table 7.13 Net Floorspace Requirement to 2031 for Labour Supply Scenarios ($m^2$)

| Use / Scenario | Offices (B1) ($m^2$) | Industrial (B1c/B2/B8) ($m^2$) | All B uses ($m^2$) |
|---|---|---|---|
| 4. SNPP | 820 | 3,990 | 4,810 |
| 5. Migration-Led | -1,270 | -6,150 | -7,410 |
| 6. Approved RSS | -1,560 | -7,580 | -9,150 |
| 7. AMR Dwelling Target | -2,470 | -11,970 | -14,440 |
| 8. Net Nil Migration | -4,030 | -19,560 | -23,590 |
| 9. Economic Growth | 2,270 | 11,020 | 13,290 |

Source: NLP analysis Note: totals rounded

7.32 Overall, only two of these six demographic scenarios result in a positive floorspace requirement. In the worst case, the net nil migration scenario indicates a need for almost 23,600 $m^2$ less B-class employment space by 2031 to match job needs of fewer working age residents. The SNPP and Economic Growth (Labour Force constrained) scenarios would require between 4,800 and 13,300 $m^2$ of B Class space. The SNPP forecast (4,800 $m^2$) is of similar magnitude to the Experian job growth based forecast (4,060 $m^2$).

## Safety Margin

7.33 To estimate the overall requirement of employment space that should be planned for in allocating sites, and to give some flexibility of provision, it is normal to add an allowance as a safety margin for factors such as delays in some sites coming forward for development. This margin is a contingency factor, providing a modest additional land buffer so that supply is not too tightly matched to estimated demand, and so that shortages of land do not arise if future demand turns out to be greater than the forecasts. Such flexibility is sensible given the uncertainties in the forecasting process and particularly important in Castle Point due to its very low industrial vacancy level.

7.34 The SEEPB guidance on employment land assessments recommends an allowance that is equivalent to the average time for a site to gain planning permission and be developed, typically about two years. For Castle Point, the margins set out in Table 7.14 were added for B Class use based on two years of average net take-up.

Table 7.14 Safety Margin Allowances

| Use | Average Annual Take-up ($m^2$) | Safety Margin Added 2012-31 ($m^2$) |
|---|---|---|
| Offices (B1) | 710 | 1,420 |
| Industrial (B1c/B2/B8) | 400 | 800 |

Source: NLP analysis

7.35 This allowance is equivalent to adding between 10% and 55% on to the initial estimate of requirements for the different scenarios. This appears an appropriate level relative to the estimated scale of the original requirement.

## Convert to Gross Floorspace Requirements

7.36 To convert the net requirement of employment space into a gross requirement (the amount of employment space or land to be allocated), an allowance is also typically made for some replacement of losses of existing employment space that may be developed for other, non B Class uses.

7.37 Judgements were made on the suitability and degree of the allowance for future losses which it would be appropriate to apply here based on the consultants' understanding of supply-side deliverability factors in Castle Point and current trends in the market. Not all losses need to be replaced as some will reflect restructuring in the local economy as less manufacturing space is needed in future. In this case, Castle Point appears to face limited pressures on industrial land from Non B uses but has much dated premises in poor condition that will need replacing. To allow for some losses and the ability to replace/decant older stock, a loss replacement allowance of 300 $m^2$ p.a. has been used for industrial uses. This equates to 5,700 $m^2$ over the plan period.

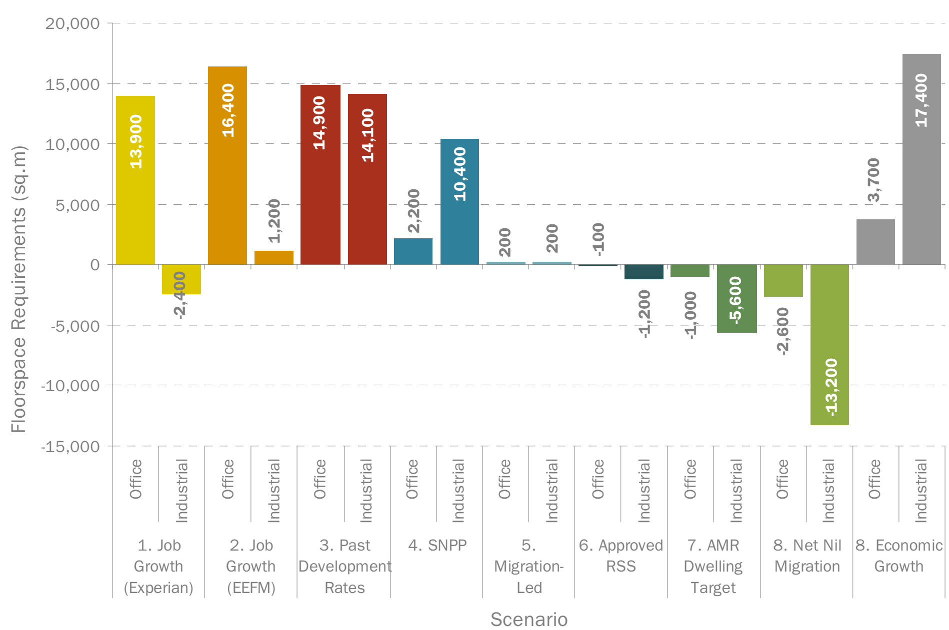
7.38 The Council's Annual Monitoring Reports suggest no significant loss of office space over the past 7 years (2004-11), while increasing occupation densities of office space should also reduce the need to replace all losses in future. For the purposes of the ELR, no replacement of future office losses has therefore been allowed for. The resultant gross floorspace requirements incorporating these allowances are set out in Table 7.15 and Figure 7.2.

Table 7.15 Gross Floorspace Requirement by Scenario ($m^2$)

| Use / Scenario | Offices (B1) ($m^2$) | Industrial (B1c/B2/B8) ($m^2$) | All B uses ($m^2$) |
|---|---|---|---|
| 1. Job Growth (Experian) | 13,900 | -2,420 | 11,480 |
| 2. Job Growth (EEFM) | 16,390 | 1,160 | 17,550 |
| 3. Past Development Rates | 14,930 | 14,070 | 29,000 |
| 4. SNPP | 2,250 | 10,390 | 12,640 |
| 5. Migration-Led | 160 | 250 | 410 |
| 6. Approved RSS | -140 | -1,190 | -1,330 |
| 7. AMR Dwelling Target | -1,050 | -5,580 | -6,630 |
| 8. Net Nil Migration | -2,610 | -13,160 | -15,770 |
| 9. Economic Growth | 3,690 | 17,410 | 21,100 |

Source: NLP analysis (totals rounded)

Figure 7.2 Gross Floorspace Requirements by Scenario (sq.m)




Source: NLP analysis (totals rounded)

## Estimate Land Requirement

7.39 The final step, for all scenarios, was to translate floorspace into land requirements for both office and industrial uses. This has been calculated by applying appropriate plot ratio assumptions to the floorspace estimates using the following assumptions:

- **Industrial** – a plot ratio of 0.4 was applied so that a 1 ha site would be needed to accommodate 4,000 m$^2$ of employment floorspace; and
- **Offices** – assumed that 50% of the floorspace requirement would be met in lower density developments with a plot ratio of 0.4, and 50% would be in higher density urban locations/town centres at a plot ratio of 2.0. This reflects the limited size of the borough's town centres.

7.40 These plot ratios are taken from the ODPM Guidance on Employment Land Reviews and reflect typical development densities for these uses. The resulting land requirements are set out in Table 7.16 and Figure 7.3.

Table 7.16 Gross Land Requirement by Scenario (ha)

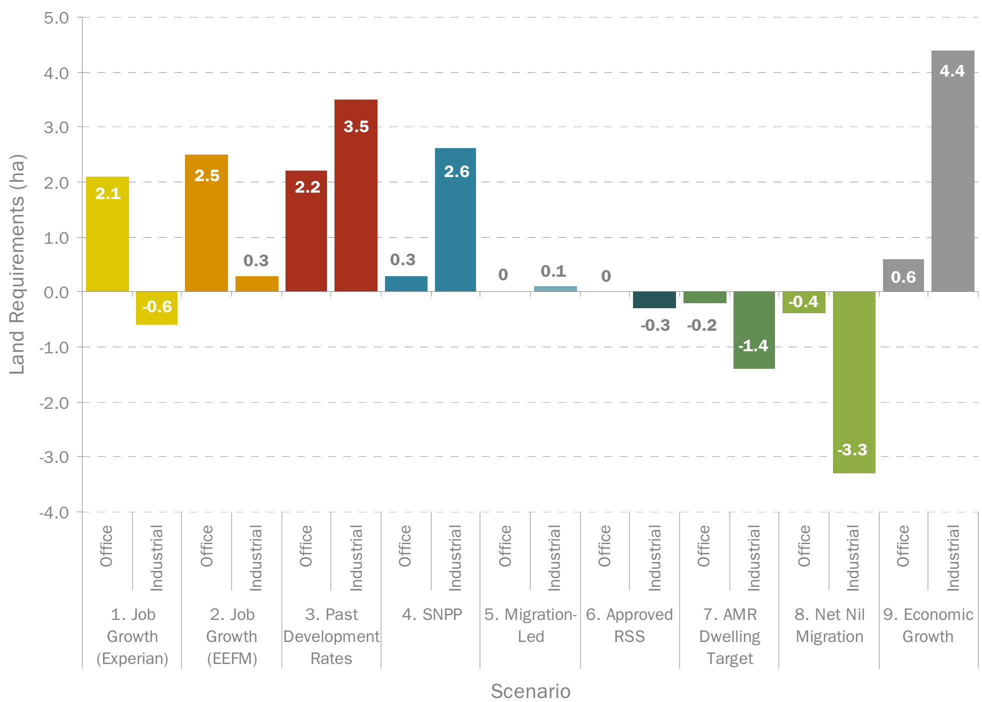
| Use / Scenario | Offices (B1) | Industrial (B1c/B2/B8) | All B uses |
|---|---|---|---|
| 1. Job Growth (Experian) | 2.1 | -0.6 | 1.5 |
| 2. Job Growth (EEFM) | 2.5 | 0.3 | 2.7 |
| 3. Past Development Rates | 2.2 | 3.5 | 5.7 |
| 4. SNPP | 0.3 | 2.6 | 2.9 |
| 5. Migration-Led | 0 | 0.1 | 0.1 |
| 6. Approved RSS | 0 | -0.3 | -0.3 |
| 7. AMR Dwelling Target | -0.2 | -1.4 | -1.6 |
| 8. Net Nil Migration | -0.4 | -3.3 | -3.7 |
| 9. Economic Growth | 0.6 | 4.4 | 4.9 |

Source: NLP analysis Totals rounded

7.41 Six of the scenarios indicate a requirement for some more employment land. However, overall, the amount of employment land likely to be required is relatively small, at most 5.7 ha, and in the worst case 3.7 ha less land would be needed.

7.42 The range of land requirements for office development land is fairly narrow – between -0.4 and 2.5 ha - depending on the approach used. For industrial land, the range is slightly wider, between -3.3 ha to 4.4 ha required in the maximum case. There appears to be some consistency on the broad level of industrial land needed from the economic growth (scenario 9) and past take-up (scenario 3) based approaches – between 3.5 and 4.4 ha.

Figure 7.3 Gross Land Requirement by Scenario (ha)




Source: NLP analysis (totals rounded)

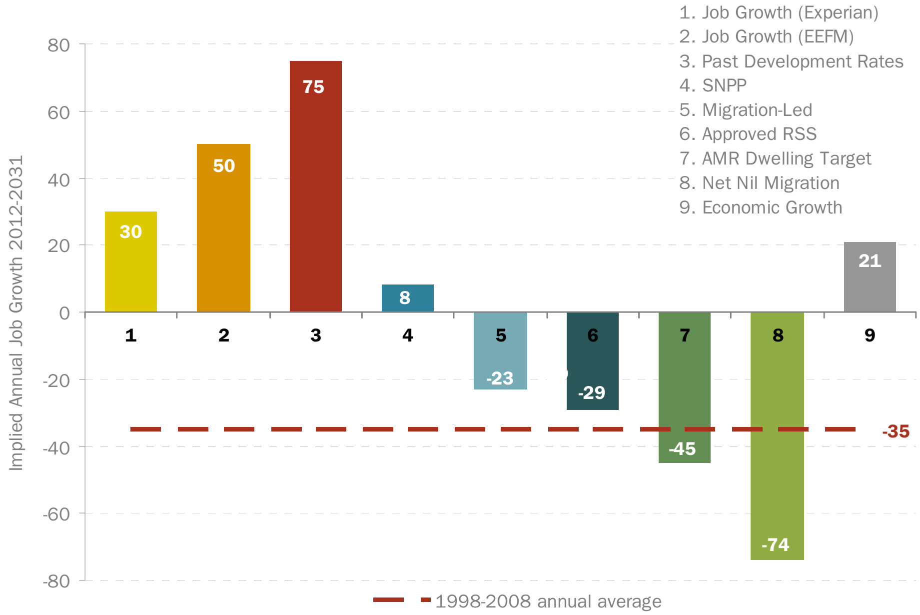
## Sensitivity Tests

7.43 Given the range of potential requirements implied by these different estimates of future requirements, it is important to test how reasonable each appears against other factors and how sensitive they are to different assumptions.

7.44 It is useful to first compare the employment growth implied by these amounts of land with employment growth actually achieved in Castle Point in recent years (Figure 7.4). The lowest labour supply based estimate (net nil migration) implies about 74 B class jobs annually would be lost over the next 19 years, mostly industrial jobs. The highest growth estimate based on past development trends implies some 75 more B class jobs annually, mostly office jobs. These figures compare with an average loss of 35 B class jobs in Castle Point per year between 1998 and 2008. Labour supply scenarios 6 and 7 lie closest to this past employment growth trend. However, depending on the Council's aspirations, it is normal to plan for some growth in employment.

7.45 This indicates that job growth, past development trends and labour supply (economic growth) based estimates could generate a significantly higher level of job creation than has been achieved in the Borough in the recent past. As that period was one of relatively strong economic growth, following a severe recession with an outlook of fragile recovery, these estimates would appear optimistic. They would also exceed forecasts of labour supply growth in the area.

Figure 7.4 Annual Job Growth Implied by Scenarios




Source: NLP analysis / Annual Business Inquiry

Note: Estimated job levels for each scenario do not take account of additional floorspace allowance in the safety margin, which is identified for planning purposes and may not actually be developed

7.46 Other assumptions which can make a significant difference to the forecasts of future requirements are the scale of the safety margin and allowance for replacement of future losses. With no allowance for future losses, the highest estimate of future industrial space needs would fall by around one third. However, the allowance for loss replacement in this case is very modest and reflects a low level of losses in Castle Point in the past. While much of the local industrial stock is old and in poor condition, it is concentrated in long established industrial areas where replacement rather than loss to other uses appears more likely, so that it is not anticipated that future losses would be substantially higher.

7.47 The safety margin allowances used here are also very modest. For the higher estimates of industrial space requirements, the safety margin equates to only 5-8% of the original demand estimate and it could be argued that this is too low. In a more marginal demand location such as Castle Point, there may be greater delays in bringing sites forward. If three years worth of past take-up, rather than two, were used as the safety margin, this would add only 400 m$^2$ to the requirement, not a substantial difference. If two years worth of gross take-up (rather than net take-up) were applied, the safety margin would equate to 1,400 m$^2$ (rather than 800 m$^2$), again not a great difference. This issue can be considered further in the context of any surplus in supply and in considering whether additional supply is need for other reasons.

7.48 The assumed plot ratio for office development appears unlikely to make a significant different to land requirements since the office requirement is fairly modest and varying the plot ratio, from 2.0 to 1.5 for example, for part of this requirement would make minimal difference.

7.49 Overall, it is the choice of approach and growth scenario which most affects the level of future requirements and this will need to be carefully considered by the Council in selecting a basis for future planning.

## Conclusions

7.50 The estimates of how much employment land will be required in Castle Point in future vary significantly, depending on the approach and scenario used.

7.51 For industrial space, the estimated range was between -3.3 ha and +4.4 ha, reflecting differences between economic growth and demographic based forecasts. The job based estimates are both relatively low (-0.6 to +0.3 ha), and it could be argued that such an approach works less well in small economies such as this. The estimate based on past trends continuing indicates a need for some 3.5 ha and this is of a similar magnitude to the SNPP and economic growth based forecasts. This level reflects a period of low development during recession as well as the relatively buoyant period before 2007 and may, therefore, provide a reasonable basis for future planning for a period where the outlook is for slow growth for some years.

7.52 For office space, the estimates also vary greatly although the amounts are small. Excluding the lower extremes which may reflect less likely pictures of growth in this area, a requirement of between 0.6 ha and 2.5 ha is indicated. The local office market is relatively small and undeveloped and affected by space in larger centres such as Basildon. However, the higher end of this range is close to the estimate based on the level of development was achieved in Castle Point in the past (2.2 ha) and the latter may not be an unreasonable target for a 19 year period if the borough has aspirations to develop into more knowledge based activities and to help reduce out-commuting.

7.53 It is also important to note that four of the demographic/housing led demand estimates result in a negative requirement for employment space in future compared with the current position. This largely reflects an ageing population, which, for the modest increase in housing proposed, produces a lower number of working age residents and hence a lower demand for future jobs and employment space. It is understood that Castle Point Council may be inclined towards a scenario based on 200 dwellings being built per annum. If this were the case, it would imply less employment space being needed in future and fewer local workers to support economic growth in the borough.

# 8.0 Future Requirements for Retail Space

8.1 This section assesses the quantitative scope for new retail floorspace in Castle Point Borough up to 2031. It sets outs the methodology adopted for this analysis and provides a quantitative capacity analysis in terms of levels of spending for convenience and comparison shopping.

8.2 All monetary vales expressed in this analysis are at 2010 prices unless stated otherwise.

## Population and Spending

8.3 The study area population for 2012 to 2031 is set out in Table 1B in Appendix 7, based on Experian small area population figures for 2010. The baseline population figures have been projected to 2031 based on the approved RSS housing target for Castle Point of around 200 dwellings per annum (corresponding to Scenario 6 in the previous section). Higher population growth figures based on the latest (2010 based) projections from ONS have also been provided. The 2010 SNPP projections will fall within the range of these two scenarios. Retail capacity projections have not been produced based on the 2010 SNPP.

8.4 Experian's EBS national expenditure information has been used to forecast expenditure within the study area. Experian's forecasts are based on an econometric model of disaggregated consumer spending. This model takes a number of macro-economic forecasts (chiefly consumer spending, incomes and inflation) and uses them to produce forecasts of consumer spending volumes, prices and value, broken down into separate categories of goods. The model incorporates assumptions about income and price elasticities.

8.5 Table 2B in Appendix 7 sets out the forecast growth in spending per head for convenience goods within each zone in the study area up to 2031. Comparison forecasts of per capita spending are shown in Table 1C in Appendix 8.

8.6 The level of available spending is derived by combining the population in Table 1B and per capita spending figures in Tables 2B and 1C. For both convenience and comparison spending, a reduction has been made for special forms of trading such as mail order, e-tail (non-retail businesses) and vending machines.

8.7 Special Forms of Trading (SFT) and non-store activity are included within Experian's Goods Based Expenditure (GBE) estimates. "Special Forms of Trading" includes other forms of retail expenditure not spent in shops e.g. mail order sales, some internet sales, vending machines, party plan selling, market stalls and door to door selling. SFT needs to be excluded from retail assessments because it relates to expenditure not spent in shops and does not have a direct relationship to the demand for retail floorspace. The growth in home computing, Internet connections and interactive TV may lead to a growth in home shopping and may have effects on retailing in the high street.

8.8 Experian provide projections for e-tailing and other SFT. These projections have been used to exclude expenditure attributed to e-tailing through non-retail businesses, which will not directly impact on the demand for retail floorspace. Based on Experian data SFT (including non-retail e-tailing but excluding e-tail through retail businesses) is 3.7% and 8.8% of total convenience and comparison goods expenditure respectively in 2010. The projections provided by Experian suggest that these percentages could increase to 5.9% and 12.7% by 2016. The amount of e-tail expenditure through non-retail businesses is expected to increase significantly in proportional terms, but as a proportion of total expenditure this sector is expected to remain relatively insignificant for the foreseeable future.

8.9 As a consequence of growth in population and per capita spending, convenience goods spending within the study area is forecast to increase by 11.3% from £216.1 million in 2012 to £240.54 million in 2031, as shown in Table 3B in Appendix 7.

8.10 Comparison goods spending is forecast to increase by 75% between 2012 and 2031, increasing from £330.63 million to £580.71 million, as shown in Table 2C in Appendix 8. These figures relate to real growth and exclude inflation.

## Existing Retail Floorspace

8.11 Existing convenience goods retail sales floorspace within Castle Point Borough is 13,746 sq m net as set out in Table 4B in Appendix 7. Most of this floorspace is concentrated in Canvey town centre and Stadium Way. This floorspace figure excludes comparison sales floorspace within food stores.

8.12 Comparison goods retail sales floorspace within Castle Point Borough is 33,007 sq m net as shown in Table 3C in Appendix 8, which includes comparison sales within food stores. A qualitative analysis of retail provision in the main centres is shown in Appendix 10.

## Existing Spending Patterns 2012

### Convenience Shopping

8.13 The results of the household shopper questionnaire survey, undertaken by NEMS in April 2012 have been used to estimate existing shopping patterns with Zones 1 to 5 of the study area. The results are summarised in Appendix 9.

8.14 Table 5B indicates that the level of convenience goods expenditure attracted to shops/stores in the Castle Point in 2012 is estimated to be £169.45 million as shown in Table 6B in Appendix 7. Castle Point’s market share of total convenience expenditure in the study area as a whole is estimated to be about 70% (£151 million of £216 million), i.e. the sum of Zones 1 to 5 in Table 6B.

8.15 Company average turnover to sales floorspace densities are available for major food store operators and are compiled by Verdict. Company average sales densities (adjusted to exclude petrol and comparison sales and include VAT) have been applied to the sales area of the large food stores listed in Table 4B in Appendix 7, and a benchmark turnover for each store has been calculated. This benchmark turnover is not necessarily the actual turnover of the food store, but it does provide a useful benchmark for assessing existing shopping patterns and the adequacy of current floorspace in quantitative terms.

8.16 The estimated convenience goods sales areas have been derived from a combination of the Goad data and the Institute of Grocery Distribution (IGD). Estimates for comparison sales floorspace within large food stores has been deducted from the figures in Table 4B, for consistency with the use of goods based expenditure figures.

8.17 Average sales densities are not widely available for small convenience shops, particularly independent retailers. An average sales density of £4,000 per sq m has been adopted for small convenience shops. The total benchmark turnover of existing convenience sales floorspace within Castle Point is £147.27 million.

8.18 The assessment of shopping patterns suggests that convenience goods expenditure available to facilities in Castle Point in 2012 is £169.45 million. These figures suggest that collectively convenience retail facilities in Castle Point are trading above average levels.

### Comparison Shopping

8.19 The estimated comparison goods expenditure available within the study area is £125.14 million in 2012, as shown in Table 4C in Appendix 8. This is expected to increase to £219.79 million in 2031, based on the baseline population growth.

8.20 Castle Point's market share of total comparison goods expenditure generated within the study area is about 31%, i.e. the sum of Zones 1 to 5 in Table 4C (£102 million out of the total of £331 million). Therefore 69% of comparison expenditure is spent elsewhere, in particular Basildon, Southend and Lakeside.

8.21 Company average sales densities are only available for a selection of multiple retailers. Available information indicates that the sales densities amongst comparison retailers vary significantly.

8.22 The current level of comparison expenditure attracted to facilities in Castle Point is £125.14 million. The current average sales density for comparison sales floorspace in the Borough is £3,791 per sq m net.

8.23 On balance comparison shopping facilities within the Castle Point appear to be trading satisfactorily.

## Quantitative Capacity for Convenience Floorspace

8.24 The level of available convenience goods expenditure in 2016, 2021, 2026 and 2031 is shown at Tables 7B to 10B in Appendix 7.

8.25 The total level of available convenience goods expenditure available for shops in Castle Point between 2012 and 2031 is summarised in Table 11B. This table takes into account the population and expenditure projections shown in Table 1B to 3B in Appendix 7. The benchmark turnover of existing convenience floorspace and the proposed food store at the former Focus store have been subtracted from the estimates of available expenditure to provide surplus expenditure estimates.

8.26 Table 10B assumes that the benchmark turnover of convenience floorspace will not increase during 2012 to 2031 due to the recession Experian suggest there could be a reduction in convenience efficiency in the short term, then 0.4% per annum growth is recommended between 2014 to 2018 and 0.2% thereafter (Source: Experian Retail Planner Briefing September 2011). The reduction in turnover efficiency in the short term is expected to cancel out longer term growth, therefore no change in convenience goods turnover efficiency is assumed in this study.

8.27 The estimates of surplus/deficit expenditure are converted into floorspace projections in Table 11B, Appendix 7. These floorspace projections relate only to convenience sales floorspace and exclude any comparison sales within food stores.

8.28 In the study area as a whole there is currently a surplus of convenience expenditure (£22.24 million). This surplus could support 2,077 sq m net of additional convenience goods sales floorspace. The surplus is expected to reduce to £7.48 million in 2016 due to the Focus store commitment, but is projected to increase to £12.85 million in 2021, which could support 1,200 sq m net of additional convenience goods sales floorspace. By 2031, the surplus (£24.27 million) could support 2,267 sq m net (cumulative) of additional convenience goods sales floorspace.

8.29 The floorspace projections are summarised in Table 13.1 in Section 13.

## Quantitative Capacity for Comparison Floorspace

8.30 The assessment of existing shopping patterns in 2012 indicates that there is a high level (69%) of comparison expenditure leakage from the study area. One would expect comparison expenditure outflow to continue to large centres including Basildon, Southend and Lakeside.

8.31 Further improvements to comparison retail provision within Castle Point could help to claw back some additional expenditure leakage from parts of the study area. Conversely development proposals in other centres e.g. Basildon and Lakeside could reduce the Borough's market share. We have projected the level of comparison goods expenditure available to shops in Castle Point based on constant market shares at 2016, 2021, 2026 and 2031 as shown in Tables 5C to 8C in Appendix 8. We have also produced capacity figures based on the assumption that the implementation of commitments and masterplan proposals in Canvey town centre and Hadleigh town centre can increase the market share of these two centres and reduce expenditure leakage from the

Borough. The market share of Canvey town centre has been increased to 30% in Zones 1 and 2. The market share of Hadleigh town centre has been increase to 15% in Zone 3 and 10% in Zone 4.

8.32 Future available expenditure is compared with the projected turnover of existing and proposed comparison retail facilities within Castle Point in order to provide estimates of surplus expenditure, as shown in Table 9C. Table 9C assumes that the existing turnover of comparison floorspace will increase its benchmark turnover in real terms. A growth rate of 1.7% per annum is adopted. Trends indicate that comparison retailers historically will achieve some growth in trading efficiency. This is a function of spending growing at faster rates than new floorspace provision and retailers' ability to absorb real increases in their costs by increasing their turnover to floorspace ratio.

8.33 The growth in comparison goods expenditure available for shops in Castle Point between 2012 and 2031 is summarised in Table 9C, in Appendix 8.

8.34 Taking into account the retail warehouse commitment on Canvey Island, by to 2021 in the study area as a whole there is a small surplus in available comparison expenditure of £1.79 million. Based on increased market shares the surplus would be £19.87 million in 2021. By 2031 population and expenditure growth will result in a comparison expenditure surplus of £32.69 million, assuming no increase in market share or £57.54 million based on increased market shares. Surplus comparison expenditure has been converted into comparison floorspace projections at the foot of Tables 9C and 10C in Appendix 8.

8.35 For planning purposes we believe the projections in table 10C are more realistic, because there is scope to increase comparison market shares within the Borough.

8.36 Based on increased market shares, surplus expenditure at 2021 could support 3,414 sq m net of comparison sales floorspace (4,552 sq m gross). The floorspace projection up to 2031 is 8,353 sq m net (11,138 sq m gross) (cumulative), as shown in Table 10C.

8.37 The floorspace projections are summarised in Table 13.2 in Section 13.

## Conclusions

8.38 There may is potential scope for an additional food store within the Borough over and above commitments be scope in the latter half of the plan period. Implementation of the masterplan proposals in Canvey and Hadleigh town centres are the priority for new retail development.

# 9.0 Requirements for Other Commercial Leisure

## Introduction

9.1 This section assesses the potential for commercial leisure uses in Castle Point, including for a cinema/multiplex, tenpin bowling, bingo, nightclubs, private health and fitness clubs and catering, pubs and bars.

9.2 Residents in Castle Point have good access to major leisure facilities in Basildon and Southend. The proximity of these major leisure facilities will limit the catchment area and potential for major leisure facilities within Castle Point.

## Cinemas

9.3 There is one small cinema in Castle Point, i.e. the Movie Starr in Canvey. Major competing centres, including Basildon, Southend and Lakeside have large multiplex facilities, which will restrict the catchment area of potential additional cinema provision in within Castle Point. The household survey results suggest Castle Point only attracts around 30% of cinema trips within the study area. To assess the demand for cinemas within Castle Point, it is assumed that a maximum of up to 50% of cinema trips can be retained within the area. The area's catchment population has been converted into a total number of cinema screens and seats based on the current national average (16,300 people per screen and 78 people per seat). The results are shown in Table 9.1 below.

Table 9.1 Cinema Potential in Castle Point

| | 2012 | 2021 | 2026 | 2031 |
|---|---|---|---|---|
| Study Area Population | 115,743 | 117,350 | 118,242 | 119,135 |
| Market Retention | 50% | 50% | 50% | 50% |
| Catchment potential | 57,871 | 58,675 | 59,121 | 59,567 |
| **Cinema Screen Potential** | 3.6 | 3.6 | 3.6 | 3.7 |
| **Cinema Seat Potential** | 742 | 752 | 758 | 764 |
| **Existing Screen Provision** | 4 | 4 | 4 | 4 |
| **Existing Seat Provision** | 433 | 433 | 433 | 433 |

9.4 The above analysis suggests the existing cinema in Canvey Island may be sufficient to meet existing demand in terms of the number of screens. However there may be some potential for small cinemas if the Borough can increase its market share above 50%, although the commercial viability of this form of development is questionable.

### Private Health and Fitness Clubs

9.5 There are a number of private health and fitness clubs in Castle Point including:

i Fitness 4 Life, Canvey Island
ii Island Gym, Canvey Island
iii Waterside Farm Leisure Centre, Canvey Island
iv Runnymede Pool, Benfleet
v Virgin Active Health Club, Benfleet
vi Bodycare personal Fitness Club, Benfleet
vii Aspire fitness, Rayleigh
viii Rejoove Me, Rayleigh
ix Titans Health & Fitness, Rayleigh
x Curves Rayleigh
xi Fungi Fitness, Rayleigh
xii Rayleigh Leisure Centre

9.6 Castle Point study area's adult population is approximately 90,000 in 2012, which could generate demand for about 10,800 public and private membership places, based on the national average membership rate (12%). This figure and the 12 identified health and fitness clubs imply an average of around 900 members per club, which is slightly lower than the national average for private fitness clubs (1,375 members). This suggests there is limited demand for additional provision of health and fitness clubs at present.

### Tenpin Bowling

9.7 There are no bowling alleys in Castle Point (excluding the virtual bowling alley at Canvey Island Seafront), but the catchment area's population as a whole could theoretically support about 10 lanes, based on one lane per 12,000 people. However, these figures assume 100% retention of tenpin bowling trips. In addition large bowling facilities in Southend, Basildon and Hockley will limit the commercial potential in Castle Point.

### Bingo

9.8 Castle Point's population (about 90,000 adults) could generate about 160,000 admissions based on the national participation rate (1.75 per adult), compared with the average of 113,000 admissions per club.

9.9 There is one bingo hall in Castle Point (Canvey Island). There may be capacity for a further bingo hall in the area but existing bingo facilities in Basildon and Southend are likely to reduce the commercial viability of new facilities in Castle Point.

### Nightclubs

9.10 There are approximately 1,750 nightclubs in the UK, approximately one per 30,000 people (source Mintel). Large nightclubs (capacity up to 2,000 people) are generally located in large towns with a population of over 100,000 people.

There are five nightclubs in Castle Point, and there appears to be limited potential for large nightclubs in the Borough.

### Casinos

9.11 There were 144 licensed casinos operating in Great Britain at March 2008, about one casino per 400,000 people. Attendance at casinos by members and guests was 16 million trips in 2008. There are no casinos within Castle Point, but Southend has three casinos. Castle Point is unlikely to have a catchment population large enough to support a casino. It is also likely that casino operators would prefer to locate in Basildon or Southend.

### Bars and Restaurants

9.12 Food and drink establishments (Class A3, A4 and A5) including restaurants, bars and pubs typically support other major leisure uses on leisure and retail parks. National information available from Goad Plans indicates that the proportion of non-retail uses within town centres across the country has increased over the last decade as shown in Table 9.2.

Table 9.2 GB Goad Plan Town Centres Use Class Mix

| Type of Unit | % Change 2000 to 2011 | Proportion of Total Number of Units (%) | | | |
|---|---|---|---|---|---|
| | | 2000 | 2005 | 2009 | 2011 |
| Class A1 (Retail) | - 15.4 | 59.1 | 56.4 | 54.0 | 50.0 |
| Class A1 (Services) | + 31.7 | 8.2 | 9.6 | 9.8 | 10.8 |
| Class A2 | - 4.5 | 8.9 | 8.9 | 9.0 | 8.5 |
| Class A3/A5* | + 41.1 | 11.2 | 13.7 | 14.5 | 15.8 |
| Miscellaneous | -14.3 | 1.4 | 1.4 | 1.3 | 1.2 |
| Vacant/under Const. | +22.3 | 11.2 | 10.1 | 11.4 | 13.7 |
| **Total** | **-** | **100.0** | **100.0** | **100.0** | **100.0** |

Source: Goad Centre Reports *excludes Bars/Public houses (A4)

9.13 The proportion of Class A1 retail uses in Goad town centres has decreased by 15% between 2000 to 2011 (9.1 percentage points), whilst Class A3/A5 uses and vacant units have increased. Growth in Class A3 to A5 uses within town centres may continue in the future, and will compete for shop premises with other town centre uses. A balance between Class A1 and Class A3 to A5 uses needs to be maintained. The mix of uses in the four main centres in Castle Point is shown in Table 9.3

Table 9.3 Castle Point Town Centres Use Class Mix

| Type of Unit | Proportion of Total Number of Units (%) | | | |
|---|---|---|---|---|
| | Canvey | Hadleigh | S. Benfleet | Tarpots |
| Class A1 (Retail) | 44.5 | 45.3 | 43.4 | 39.0 |
| Class A1 (Services) | 13.4 | 15.8 | 10.7 | 22.0 |
| Class A2 | 16.5 | 12.6 | 9.8 | 12.2 |
| Class A3-A5 | 15.8 | 15.8 | 18.5 | 17.0 |
| Vacant/under Const. | 9.8 | 10.5 | 7.6 | 9.8 |
| **Total** | **100.0** | **100.0** | **100.0** | **100.0** |

Source: Goad Centre Reports

9.14 The proportions of Class A3/A5 within the four towns are within the range that would be anticipated for centres of their size.

9.15 The retail floorspace projections in Section 8 relate to Class A1 retail uses. It may be reasonable to assume there will be scope for a further 25% floorspace that can be occupied by Class A2 to A5 uses and Class A1 non-retail services.

# 10.0 Need for Additional Employment Land

10.1 This section draws together the forecasts of future employment land needs in Section 7 and the estimates of land available on the Borough's existing and allocated employment sites in Section 5 to identify any need for more provision of employment space, or surpluses of it, in both quantitative and qualitative terms.

## Quantitative Balance

10.2 Section 7 identified a need for between -15,800 $m^2$ and 29,000 $m^2$ of employment space up to 2031, including a modest safety margin largely to allow for delays in sites coming forward for development. The net land requirements associated with these amounts of employment floorspace were estimated at broadly between -3.7 and + 5.7ha, depending on the approach and growth scenario assumed.

10.3 The amount of available employment land in the Borough to help meet this future need is identified by the Council's Annual Monitoring Report, 2011. This indicates a total of 19.46 ha, of which 10 ha is on one allocated, and so far undeveloped, site on Roscommon Way in Canvey Island. The remainder is understood to be made up of six sites with extant planning permissions, primarily for B2 and B8 uses and two for mixed employment uses. The net amount of potential floorspace indicated for these six sites is quite low, only 360 $m^2$, although this excludes the large (9 ha) Northwick Road site which has outline permission for some 47,000 $m^2$ of B class space.

Table 10.1 Castle Point Available Employment Land, 2011

| | Net Gain ($m^2$) | Type |
|---|---|---|
| 12c Benfleet Road, Benfleet | 187 | Mix |
| Land south of Northwick Road | N/A | Mix |
| Thames House, Rayleigh Weir | 579 | B2 |
| 76-80 Furtherwick Road, Canvey | 189 | B2 |
| 91-97 Stadium Way, Rayleigh Weir | -396 | B8 |
| 12b&c Northwick House, Canvey | -200 | B8 |
| **Total** | 360 + | |

Source: Castle Point Council, Annual Monitoring Report, 2011

10.4 The assessment of employment sites in Section 6 identified about 21 ha of allocated employment land, land with planning permission or on vacant plots within existing employment areas, which also had realistic prospects of coming forward. This is similar to the Annual Monitoring Report figure. None of this potential supply was assessed as specifically suitable for new office development.

10.5 As vacancy levels in the Borough are below the range of what is needed in a normal market to allow churn and choice, there is no surplus of vacant space to be added to current supply. Drawing together the committed supply and other undeveloped land, there appears to be some 20.8 ha of land for new industrial space, as identified in Section 6, and this primarily comprises two large undeveloped sites in Canvey Island and a few small plots in established employment areas. If neither of the large sites came forward, there could be a deficit under several scenarios.

10.6 A broad comparison of estimated demand against all currently identified supply, as shown in Table 10.2, implies that, for all estimates of future employment space requirements, the Borough would have more than enough employment space in quantitative terms up to 2031.

10.7 It is understood that Castle Point Council are inclined towards the future labour supply scenario based on around 200 dwellings being built per annum (scenario 6). For the purposes of comparison and to narrow the range of estimates for consideration, therefore, only this housing based scenario along with economic growth and development trends scenarios have been included in this analysis.

Table 10.2 Demand v. Supply of B Class Employment space in Castle Point by Scenario (ha)

| Use / Scenario | Employment Land Supply (ha) | Requirement for B Class Land (ha) | Surplus (+)/ Deficit (-) |
|---|---|---|---|
| 1. Job Growth (Experian) | 20.8 | 1.5 | +19.3 |
| 2. Job Growth (EEFM) | 20.8 | 2.7 | +18.1 |
| 3. Past Development Rates | 20.8 | 5.7 | +15.1 |
| 6. Approved RSS | 20.8 | -0.3 | +20.5 |
| 9. Economic Growth | 20.8 | 4.9 | +15.9 |

Source: NLP analysis Totals rounded

## Needs of Different Sectors

10.8 Ensuring an adequate choice of types of sites is also important even if there is adequate supply in quantitative terms. This is necessary to meet needs of different employment uses and the aims for diversity of employment opportunities at different skill levels. Potential supply of employment space for both industrial and office uses was therefore compared with estimated requirements for these uses.

10.9 Table 10.3 below compares the demand and supply situation for industrial use. This indicates that there should be more than enough supply available, in purely quantitative terms, to meet industrial needs arising under all demand estimates. This assumes, however, that the two large sites in Canvey Island come forward for development and that they are suitably located to be able to meet needs in the Borough as a whole.

10.10 If both these large sites do not come forward, there could be modest shortfalls under scenarios 3 and 9. In this worst case scenario, such a situation could mean effective stagnation of current industrial areas with little scope to decant firms and enable upgrading or redevelopment of older premises on some estates. It would also continue the current low vacancy situation, and shortage of premises for firms to expand into, which would encourage more firms to move out of the Borough.

Table 10.3 Demand v. Supply of Industrial Space in Castle Point by Scenario (ha)

| Use / Scenario | Employment Land Supply(ha) | Requirement for Industrial Land(ha) | Surplus (+)/ Deficit (-) |
|---|---|---|---|
| 1. Job Growth (Experian) | 20.8 | -0.6 | +21.4 |
| 2. Job Growth (EEFM) | 20.8 | 0.3 | +20.5 |
| 3. Past Development Rates | 20.8 | 3.5 | +17.3 |
| 6. Approved RSS | 20.8 | -0.3 | +21.1 |
| 9. Economic Growth | 20.8 | 4.4 | +16.4 |

Source: NLP analysis Totals rounded

10.11 In terms of office space, Table 10.4 compares demand and supply although there is no identified supply of office sites. It effectively indicates a deficit of sites (0.6 - 2.5 ha) to meet the modest office development requirements under the growth scenarios which predict demand for office space, and no additional requirement under the housing/demographic based scenario.

Table 10.4 Demand v. Supply of Office Land in Castle Point by Scenario (ha)

| Use / Scenario | Employment Land Supply(ha) | Requirement for Office Land(ha) | Surplus (+)/ Deficit (-) |
|---|---|---|---|
| 1. Job Growth (Experian) | 0 | 2.1 | -2.1 |
| 2. Job Growth (EEFM) | 0 | 2.5 | -2.5 |
| 3. Past Development Rates | 0 | 2.2 | -2.2 |
| 6. Approved RSS | 0 | 0 | 0 |
| 9. Economic Growth | 0 | 0.6 | - 0.6 |

## Qualitative Factors

10.12 Even where there is no quantitative shortfall of space, in some circumstances additional land may be needed for qualitative reasons, for example to provide a better choice of provision for occupiers, to meet gaps in the supply of particular types of premises or to improve or modernise the quality of current provision and so help attract more occupiers. Qualitative needs are considered for each broad property type/area individually and for different parts of the Borough.

## Industrial

10.13 From the above analysis, there appears no quantitative need for additional land for industrial uses across the Borough as a whole, but this depends very much on the two large, undeveloped sites in Canvey Island coming forward in a reasonable timescale, and being attractive to potential occupiers from other parts of the borough and elsewhere.

10.14 In addition, current vacancy levels for industrial space are well below normal market levels, and the consultation process did indicate some difficulties for firms finding suitable and available space of a reasonable quality for expansion or relocation. In addition, it is clear that sites in Canvey Island may not be attractive for firms based elsewhere in the Borough, some of which may choose to move out instead.

10.15 All this suggests that, to minimise the risk of current allocations not coming forward, and to cater for the needs of firms across the Borough, there may be a qualitative need for some more industrial sites that are readily available and better located to strategic roads and population centres in the north of the Borough. Such sites might also have better prospects of attracting developers. They could also enable the decanting of firms in established industrial areas and modernisation of the stock in the older areas.

10.16 The amount of such land required would be modest but would need to be of sufficient scale to make development and infrastructure provision viable. One or two sites of up to 5 ha in combined area may be adequate. This may require some release of Green Belt land.

## Offices

10.17 In terms of meeting market and developer needs and providing adequate choice, there are a very limited number of sites with potential for new office development within the Borough. While the existing office market is small, constrained by larger office centres nearby and by low levels of local demand, over the next 19 year or so, it is reasonable to expect some growth in office based activities in Castle Point. Office space did expand in the Borough between 2000-08 and the business services sector is under-represented in the Borough in recent years. Indeed, without planning to accommodate some such growth, it is difficult to see how the Borough would achieve growth in higher value and better paid jobs.

10.18 Given local market conditions, allocating new sites in Castle Point specifically for office development risks these failing to attract development and lying vacant. A better approach, therefore, may be to seek elements of modern office space within mixed use developments in the larger town centres and in residential schemes near such centres. On this basis, suitable sites could be allocated for mixed use development with a requirement to provide an element of offices. This may help the Borough start to develop a small office market and build on this over time.

10.19 Given potential difficulties in getting the market to deliver such space in Castle Point, various mechanisms to encourage such provision should be looked at including Council joint ventures with developers, rent guarantees and appropriate use of LDOs in certain locations. Council support for, or collaboration with specialist developers, to provide small, start-up, flexible business units could also be considered, either through new build or conversion of older premises.

### Other Uses

10.20 The lack of any dedicated enterprise centre in the borough to facilitate start-ups in both office and industrial activities has been noted earlier. While it is understood that there are aims to provide such a facility in Canvey Island, encouragement to providing something similar elsewhere in the area would give wider support to growth in the local economy, particularly if this catered for a range of business types, and sizes of firms. This may involve collaboration with a specialist developer.

## Conclusions

10.21 The above analysis suggests there is potentially more than an adequate quantitative supply of industrial space to meet future needs to 2031, under different estimates of future demand. This situation would apply even if a number of sites do not come forward for development. However, there is a risk of a modest shortfall over the 2010-15 period if demand remains at past levels.

10.22 Despite this, there is a good case for allocating a modest amount of additional industrial land to provide better choice to businesses, a better distribution of available sites across the borough and some more readily available sites which are better located to areas of stronger market demand. Provision of up to 5 ha across one or two sites in the north of the borough closer to strategic roads would appear reasonable but may require some release of Green Belt land. Although the need is immediate, given current property market conditions and the Local Plan allocation process, this might be more realistic over the next 10 years.

10.23 There is a more difficult case for allocating sites specifically for office development despite a shortage of such provision. It is suggested that this need be met by requiring elements of modern office space within mixed use developments in the larger town centres, using town centre masterplans, and in residential schemes near such centres.

# 11.0 Implications of Growth Scenarios & Managing Employment Space

11.1 This section addresses a number of separate issues.

11.2 A key requirement of the study was to explore approaches for reducing the level of out-commuting from Castle Point to jobs elsewhere, with a 5% reduction target to be considered. In addition, the Council requires advice on the potential for economic growth in the borough, and approaches to achieve this, if a more modest level of housing development was provided for, and which would result in a reduction in local labour supply. Lastly, advice was sought on whether improved road access to Canvey Island could enable the area to benefit from the major economic development at London Gateway in Thurrock.

## Reducing Out-commuting

11.3 As noted in Section 2, some 62% of Castle Point's economically active residents out-commute to work elsewhere. Although based on the now relatively dated 2001 Census data, analysis of these out-commuters by sector indicates that the highest proportions are in financial (17%) and business services (12.4%) jobs, followed by manufacturing (17.4%) and wholesale/retail sector jobs (15.8%).

11.4 Over 50% of those commuting to London were in the financial and business service sectors. In contrast, those out-commuting to districts adjoining Castle Point were mainly in manufacturing (20.4%) and wholesale/retail (20.4%) jobs.

11.5 Looking at out-commuting patterns by occupation groups, it is clear that commuting to London is dominated by professional/managerial (50%) and other higher skilled office workers (25%). Commuters to adjoining areas in South Essex contain similar groups, although to a lesser extent, but also many more in routine/semi-routine jobs (25%).

11.6 From experience elsewhere, it is difficult to change commuting patterns by substantial amounts without being in a position to effect change at both origin and destination. It appears unlikely that London will become less attractive as an employment centre for financial/business service jobs while adjoining Essex boroughs such as Basildon will also be seeking to expand their economies. In addition, the maximum number of additional B Class jobs forecast for Castle Point by the nine scenarios outlined earlier is 1,425. This would be small relative to the 25,500 out-commuters in 2001, who would be working across many sectors. Even if all of these new B Class jobs were filled by Castle Point residents who currently out-commute, this would reduce the level of out-commuting by only about 6%.

11.7 For retail/leisure jobs, an estimated 500 additional retail jobs and 170 more A2 - A5 non-retail jobs could result from the forecast increase in retail spending and floorspace requirement outlined in Sections 8 and 9. These types of jobs typically involve lower levels of commuting and shorter travel to work journeys but there could be a reduction in commuting to adjoining districts. Even so, the amount would not be great overall.

11.8 In reality, the reduction would be less as some new jobs will be filled by in-commuters and, depending in the scale of new housing planned for, population growth may also increase the overall number of out-commuting Castle Point residents. There will also be some factors which could potentially increase out-commuting further in future e.g. major developments providing employment opportunities nearby such as London Gateway in Thurrock and expansion of jobs around Southend Airport.

11.9 One potential way of reducing out-commuting would involve seeking to encourage provision of more, locally based jobs of a type attractive to the current out-commuters. Such jobs would have to be competitive in terms of quality and pay to these commuters' current jobs further afield. For those commuting to London, this would mainly mean providing more local jobs in higher paid financial and business services, typically in office developments. To reduce commuting to adjoining Essex districts, the need is probably for more good quality industrial jobs, as well as some more office jobs. These new industrial jobs would probably need to be located in areas where many current out-commuters are based, more likely in the northern part of the Borough.

11.10 As vacancy levels of employment space in the borough are low, this would probably require achieving the development and occupation of new employment premises on existing undeveloped employment sites as well as some new sites.

11.11 There are obvious difficulties to achieving this for the reasons set out earlier in the report, including a history of low inward investment and relocations from elsewhere, competition from larger centres nearby, a very small office market and representation of higher growth sectors and a past trend of job losses in B Class sectors rather than growth. A potential decline in future labour supply would also be a constraint.

11.12 Nevertheless, if this issue is to be tackled, the most obvious way forward is to provide good quality employment sites along with measures to help bring forward development on them. It would also mean seeking to retain existing businesses in the Borough, rather than losing them to nearby areas with better premises.

11.13 In terms of industrial space, there is understood to be some developer interest in the large undeveloped sites in Canvey Island. Measures to encourage and facilitate development on these sites would be helpful. These could include Council use of Local Development Orders, which could for example reduce planning permission requirements for specified types of development within certain parameters. Other possible approaches to be investigated, if necessary, could include Council assistance in seeking Government funding to provide first units, or rent guarantees by the Council to a developer of initial units. Providing plots for design & build approaches by industrial firms would also be supportive.

11.14 Figure 11.1 below illustrates the range of potential mechanisms and their applicability to different situations.

Figure 11.1 Potential Mechanisms to Encourage Employment Development

| **Approach** | **Deliver New Sites** | | **Deliver New Employment Space** | | **Renew / upgrade employment space** | |
|---|---|---|---|---|---|---|
| **Demand/market strength** | **Low** | **High** | **Low** | **High** | **Low** | **High** |
| Regional Growth Fund | ◐ | ● | ◐ | ● | ○ | ○ |
| Growing Places Fund | ◐ | ● | ◐ | ● | ○ | ○ |
| Community Infrastructure Levy | ◐ | ● | ◐ | ● | ○ | ◐ |
| Tax Increment Funding | ◐ | ● | ◐ | ● | ○ | ◐ |
| Joint Venture | ◐ | ● | ◐ | ● | ◐ | ◐ |
| Enabling Development | ◐ | ● | ◐ | ◐ | ◐ | ◐ |
| LDO | ○ | ○ | ◐ | ● | ◐ | ● |
| BID | ○ | ○ | ○ | ◐ | ◐ | ● |
| Rent Guarantees | ○ | ◐ | ◐ | ● | ◐ | ● |
| Business Improvement Grants | ○ | ○ | ○ | ◐ | ◐ | ◐ |

Source: NLP Analysis

○ limited potential ◐ some potential ● good potential

11.15 However, as indicated in the previous section, there is probably also a need to provide some immediately available industrial sites in the north of the borough, near strategic roads. Similar approaches to the Canvey Island sites could be used to encourage their development and occupation.

11.16 In terms of creating more local office jobs, providing more sites by itself would not necessarily achieve this as local demand is low and the office market is undeveloped. It would therefore be important to start trying to build up a local office market through more start-up facilities to accommodate small firms that may, in time, require larger office premises. Including some small office units within mixed use schemes would also help this process. Over time, this may create demand for more office space but it may be a slow process in terms of having any significant reduction in out-commuting.

11.17 Overall, it would appear difficult to achieve any sizeable reduction in out-commuting in Castle Point. Even a 5% reduction appears likely to be difficult to reach but the above approaches could help avoid the situation worsening and may start to put in place long term steps towards greater self containment of jobs.

## Achieving economic growth with low housing development

11.18 If only a modest level of housing development is provided for in Castle Point (e.g. 200 dwellings p.a.), this would result in a reduction in local labour supply by 1,800 over the period to 2026. This would not only reduce future demand for future employment space and job growth in the borough but could also constrain growth of existing businesses in Castle Point. The issue is how to achieve economic growth despite this constraint.

11.19 It should still be possible to attract some firms and facilitate growth of others locally by providing good quality, accessible employment sites close to areas of demand within the Borough and taking steps to encourage development on these. This would rely on the types of approaches set out for industrial and office development above. However, success may be more difficult to achieve if there are constraints on labour supply and it is likely to result in higher levels of in-commuting to fill any new jobs created.

11.20 In addition, it would be important to encourage greater growth of indigenous businesses, particularly start-ups that could eventually grow into larger employers, generate growth in office and knowledge-based activities and have strong reasons to remain in the Borough. Castle Point appears to have more limited provision for start-up facilities than adjoining parts of South Essex although it is understood there are aims to provide an enterprise centre at Roscommon Way. Greater Council support for new facilities offering low cost, flexible lease premises for start-up and move-on businesses would be beneficial. This could involve working with developers/operators of such facilities, encouraging sub-division of older industrial units, direct Council support or seeking Government funding for a new facility.

11.21 Overall, it may be possible to achieve some economic growth in Castle Point with a modest level of housing growth using the approaches indicated above but this is likely to be more difficult to achieve.

## Implications of Growth Scenarios

11.22 The Table below tries to summarise the main implications of the different growth scenarios /approaches in terms of job growth, additional land needs and impacts on commuting.

11.23 To some extent, this is not a real comparison between the different scenarios. In particular, if the Council were to adopt a housing growth target of 200 dwellings p.a. up to 2031 (which equates to scenario 6 below), this will have an impact on all the other, economically driven, scenarios by constraining labour supply and therefore economic growth potential in the Borough.

11.24 Also, while the forecast future land requirement is indicated in column 3, the actual amount of employment land the study indicates should be provided (column 4) will be an additional 5 ha in all cases, to meet existing qualitative deficiencies in industrial land supply and provide better choice.

Table 11.1 Economic Implications of Different Scenarios

| Scenario | Forecast Land required | New Land to provide* | Commuting | Economic growth/jobs |
|---|---|---|---|---|
| 1. Job Growth (Experian) | 1.5 ha | 5 ha | Limited impact on out-commuting | 30 jobs p.a. - slightly higher job growth than past |
| 2. Job Growth (EEFM) | 2.7 ha | 5 ha | Limited impact on out-commuting | 50 jobs p.a. - higher job growth than past |
| 3. Past Development Rates | 2.2 ha | 5 ha | Limited impact on out-commuting; Increased in-commuting likely | 75 jobs p.a. - continuation of past economic growth rates + much higher job growth than past |
| 6. Approved RSS (200 dwgs p.a.) | - 0.3 ha | 5 ha | Increased in-commuting likely and may increase out-commuting | -30 jobs p.a. – continuation of past job decline; economic growth constrained by labour supply |
| 9. Economic Growth | 4.9 ha | 5 ha | Limited impact on out-commuting | 21 jobs p.a. – slightly higher job growth than past |

Source: NLP Analysis * additional land needs to be provided for qualitative reasons under all growth situations

11.25 In this context, Scenario 6 (200 dwellings p.a.) appears to have potential to have some significant economic disbenefits.

## Impact of Improved Access to Canvey Island

11.26 The issue here is whether improved road access to Canvey Island could enable the area to benefit from the major economic development at London Gateway in Thurrock, such as more local workers being able to access jobs in that development or local firms being able to develop supply chain linkages.

11.27 The number of Canvey Island residents commuting to jobs in Thurrock in 2001 was relatively low at under 5% of the resident workforce. The majority of these out-commuters were in lower skilled or industrial type jobs e.g. 27% were process, plant and machine operatives, 15% were skilled tradesmen and 12% were in elementary occupations. This Census data is 11 years old and the position may have changed since then. However, it does indicate that only a low proportion of Canvey Island residents were travelling to work in Thurrock at that time, compared with much higher numbers to London (19%), Basildon (15%) and Southend (10%).

11.28 This picture may have reflected more limited job opportunities in Thurrock at that time than is the case now. It may also reflect longer journeys to the Thurrock employment areas than to Basildon, Southend and London.

11.29 Provision of an additional access route linking Canvey Island and Thurrock would undoubtedly make it easier for local residents to travel between the neighbouring authorities and access employment opportunities. However it is unclear on the basis of the evidence currently available whether the positive economic effect associated with this would justify the significant infrastructure costs associated with providing a new highway, particularly within the context of constrained public sector funding and ongoing road improvements elsewhere in the borough (e.g. Sadlers Farm), which should improve accessibility generally.

11.30 It is unclear whether supply chain linkages between Canvey Island firms and London Gateway would improve significantly as a result of a more direct road link. There will be large amounts of employment land within Thurrock and much closer to the London Gateway site and no obvious reason why supplier firms could not be based beside the development to service it or be located elsewhere within Thurrock. Some linkages could still develop but it is not clear that a new road link would greatly improve the prospects of this happening.

11.31 Feedback from local businesses, both through the telephone survey undertaken as part of this assessment and wider Essex business survey indicates that, while local traffic congestion is having a negative impact on business performance in some cases, the borough's relatively good access and transport infrastructure were seen as key factors keeping businesses in Castle Point. Census data from 2001 would suggest that Thurrock employers provide a very low proportion of jobs taken by Castle Point residents, but those that do work in Thurrock are currently able to do so despite the absence of a dedicated access route between the two boroughs.

11.32 Overall, it is not obvious that a new road access to Canvey Island could enable the area to benefit to a much greater extent from the major economic development taking place at London Gateway. The cost of such infrastructure would also need to be weighed against the scale of economic benefits likely to accrue to Canvey Island, and the extent of these does not appear likely to be major.

## Release of Employment Sites

11.33 Given a forecast oversupply of industrial land it is necessary to look at whether any existing allocated employment sites can be released. The NPPF warns against long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose. It notes that "*where there is no reasonable prospect of a site being used for the allocated economic use, applications for alternative uses …..should be treated on their merits having regard to market signals and the relative need for different land uses…*"

11.34 Any decision to release or retain such sites should take account of any surplus or current land supply, what types of sites are needed for qualitative reasons and whether better replacements can be found.

11.35 A cautious approach should be taken towards any release, even when sites are assessed as lower performers in the assessment process. Such sites can perform poorly because of a rural location or isolation from strategic roads, which is not necessary for all firms, and does not mean that such sites are not meeting some local needs. Sites that meet specific economic needs or are well occupied should generally be retained. Only when a site has a combination of lack of developer interest, high vacancy, serious adverse environmental impacts from its operation or is otherwise unlikely to be able to perform an employment role in future should release to non-employment uses be considered.

11.36 Also, in Castle Point the bulk of the land supply is within just two large sites, which are assessed as suitable to meet future needs. In addition, the current availability of vacant industrial premises is very low. Only two sites were assessed as lower quality. In addition, 12 of the 27 sites assessed are allocated for residential, retail or parking use in the Local Plan, even though they are currently occupied by B class uses. This suggests that some employment land will be lost over time anyway.

11.37 This background reinforces the need for a rigorous approach to considering release of any further sites in the Borough. It suggests that any employment sites or allocations that are performing some economic role should be retained as such at the present time unless strong requirements for other land uses emerge.

11.38 The assessment of existing sites in section 4 identified only two sites that were more obvious candidates by being the lowest ranked. These were Brickfields Estate in a rural part of Thundersley which suffers from remoteness, poor road access and a Green Belt location. It is not clear what alternative use this site could be released to. The second site at the Corner of Brook Road and Hall Farm Road also has poor accessibility and is a cleared, former industrial site with permission for residential use. Release of this site would not harm the employment land supply.

# 12.0 Accommodating Retail Growth

12.1 The quantitative and qualitative assessment of the potential capacity for new retail floorspace within previous sections suggests that there is scope for new retail development within Castle Point. This section examines the opportunities for accommodating this projected growth and assesses potential to accommodate this floorspace.

## Floorspace Projections

12.2 There are a number of issues that may influence the scope for new floorspace and the appropriate location for this development, as follows:

- major retail developments in competing centres;
- the re-occupation of vacant retail floorspace;
- the availability of land to accommodate new development;
- the reliability of long term expenditure projections, particularly after 2021;
- the effect of Internet/home shopping on the demand for retail property;
- the limited current level of operator demand for floorspace in Castle Point;
- the likelihood that Castle Point's existing market share of expenditure will change in the future in the face of increasing competition;
- the potential impact new development may have on existing centres.

12.3 The long term floorspace projections (up to 2026 and beyond) should be treated with caution and should only be used as a broad guide, particularly when translated into the development plan allocations or when used to guide development control decisions. Long term forecasts may be subject to change due to unforeseen circumstances. Projected surplus expenditure is primarily attributable to projected growth in spending per capita. If the growth in expenditure is lower than that forecast then the scope for additional space will reduce. Long term projections should be monitored and kept under-review.

12.4 The expenditure projections in this study take into account home shopping made through non-retail businesses because special forms of trading have been excluded. The study assumes that special forms of trading will increase in the future, including the growth of internet shopping. However, the impact of Internet growth on the demand for retail floorspace is unclear. Some retailers' home delivery and Internet services utilise existing stores rather than warehouses, for example Tesco Direct. Therefore, internet sales will not always significantly reduce the demand for shop floorspace. In addition, some of the growth in Internet sales may divert trade away from mail order companies rather than retail operators. Overall the long term impact of home shopping on expenditure projections is uncertain.

12.5 The projections up to 2021 suggest there is scope for about 1,200 sq m net (1,700 sq m gross) of convenience floorspace and 3,400 sq m net (4,600 sq m gross) of comparison floorspace. In terms of total retail floorspace there is scope for around 6,300 sq m gross by 2021. If an additional 25% is added for Class A2 to A5 uses then the floorspace figure would increase to 7,900 sq m gross. These figures take into account commitments.

12.6 The projections up to 2031 suggest there is scope for about 2,300 sq m net (3,200 sq m gross) of convenience floorspace and 8,400 sq m net (11,100 sq m gross) of comparison floorspace. In terms of total retail floorspace there is scope for around 14,300 sq m gross by 2031, or 17,900 sq m gross including 25% additional space for Class A2 to A5 uses.

## Accommodating Future Growth

12.7 The sequential approach suggests that designated town centres should be the first choice for retail and leisure development.

12.8 The existing stock of premises may have a role to play in accommodating projected growth. The retail capacity analysis in this report assumes that existing retail floorspace can, on average, increase its turnover to sales floorspace densities. A growth rate of 1.7% per annum is assumed for comparison floorspace. The adoption of these growth rates represents a balanced approach. The floorspace projections reflect these assumptions. In addition to the growth in sales densities, vacant shops could help to accommodate future growth.

12.9 There were 46 vacant shop units within Castle Point Borough, a vacancy rate of about 8.4%, which is slightly below the Goad national average (13%). The amount of vacant floorspace is about 4,600 sq m gross (assuming an average of 100 sq m gross per unit).

12.10 Vacant premises could help to accommodate growth. For example, if the current vacancy level fell from 8.4% to 5% then the number of reoccupied units would be 18 units, which could accommodate about 1,800 sq m gross of commercial space. Based on existing vacancy levels, this potential re-occupied space could be distributed as follows:

- Canvey Island 800 sq m gross;
- Hadleigh 500 sq m gross;
- S. Benfleet 200 sq m gross;
- Tarpots 200 sq m gross;
- Other 100 sq m gross.

12.11 If this reduction in vacant units can be achieved, then the overall Class A1 to A5 floorspace projection up to 2021 would reduce from 7,900 sq m gross to

6,100 sq m gross. The 2031 floorspace projection would reduce from 17,900 sq m gross to 16,100 sq m gross.

12.12 The masterplan proposals within Canvey and Hadleigh town centres should be the priority for accommodating these floorspace projections.

12.13 The implications of not meeting the floorspace projections in this study is likely to be an increase in the amount of expenditure leakage from the Borough to competing centres, which may result in additional car travel (i.e. the number and length of trips).

# 13.0 Overall Conclusions

13.1 The following key conclusions can be drawn from this study on the adequacy of current employment land supply in Castle Point and requirements for the period up to 2031, both for B and Non B class uses, including retail and leisure space.

## Future Requirements for Employment Space

13.2 Future requirements for employment space were assessed under a range of economic scenarios and approaches, including both lower and higher growth situations. The estimates of how much employment land will be required in Castle Point in future vary significantly, depending on the approach and scenario used (Table 13.1).

Table 13.1 Gross Land Requirement by Scenario (ha)

| Scenario / Use | Offices (B1) | Industrial (B1c/B2/B8) | All B uses |
|---|---|---|---|
| 1. Job Growth (Experian) | 2.1 | -0.6 | 1.5 |
| 2. Job Growth (EEFM) | 2.5 | 0.3 | 2.7 |
| 3. Past Development Rates | 2.2 | 3.5 | 5.7 |
| 4. SNPP | 0.3 | 2.6 | 2.9 |
| 5. Migration-Led | 0 | 0.1 | 0.1 |
| 6. Approved RSS | 0 | -0.3 | -0.3 |
| 7. AMR Dwelling Target | -0.2 | -1.4 | -1.6 |
| 8. Net Nil Migration | -0.4 | -3.3 | -3.7 |
| 9. Economic Growth | 0.6 | 4.4 | 4.9 |

Source: NLP analysis Totals rounded

13.3 For industrial space, the estimated range was between -3.3 ha and +4.4 ha, reflecting differences between economic growth and demographic based forecasts. The job based estimates indicate a relatively low requirement (ranging from - 0.6 to +0.3 ha), but it could be argued that such an approach works less well in small economies such as this. The estimate based on past trends continuing indicates a need for some 3.5 ha and this is of a similar magnitude to the SNPP and economic growth based forecasts. As the past trend based approach reflects a period of low development during recession as well as the relatively buoyant period before 2007, it may, provide a reasonable basis for future planning for a period where the outlook is for slow growth for some years.

13.4 For office space, the estimates also vary greatly although the amounts are small. Excluding the lower extremes based on net nil migration or very low housing growth, a requirement of between 0.6 ha and 2.5 ha is indicated. The local office market is relatively small and undeveloped and affected by space in larger centres such as Basildon. However, the higher end of this range is close to the estimate based on the level of development was achieved in Castle Point in the past (2.2 ha) and the latter may not be an unreasonable target for a 19 year period if the borough has aspirations to develop into more knowledge based activities and to help reduce out-commuting.

13.5 It is also important to note that most of the demographic/housing led demand estimates result in a negative requirement for employment space in future compared with the current position. This largely reflects an ageing population, which, for the modest increase in housing proposed, produces a lower number of working age residents and hence a lower demand for future jobs and employment space. It is understood that Castle Point Council may be inclined towards a scenario based on 200 dwellings being built per annum. If this were the case, it would imply less employment space being needed in future and fewer local workers to support economic growth in the borough.

## Assessment of Existing Employment Sites

13.6 The suitability to meet future needs of 27 existing or allocated employment sites in the Borough was assessed. Based on this, Castle Point contains a reasonable range of industrial sites of differing quality and type but a very limited range of office sites in the urban areas of Thundersley, South Benfleet, Hadleigh and Canvey Island.

13.7 Of the sites assessed through this study, around 72% of the employment land area is located within the Canvey Island area, with some 27% in Thundersley, and less than 1% within the South Benfleet and Hadleigh urban areas. Most employment space is concentrated in three main areas – the Manor Trading Estate, Charfleets Industrial Estate and the Stadium Way employment area.

13.8 The assessment identified six existing sites of good quality making up just 6% of total supply. In addition, 19 of the assessed sites are of average quality (providing 170 ha) and two sites (2.3 ha) of lower quality. The great majority (98%) of the current supply of employment land is therefore of good or average quality, although mostly in the average category. Some of the employment sites currently have planning permission for retail or residential use, making future industrial development on them unlikely in the current market and potential reducing employment land supply over time.

13.9 There appear to be very few good existing office sites in the Borough, and these are primarily within Thundersley and Hadleigh with extremely limited provision elsewhere.

13.10 The Borough's two allocated sites South of Northwick Road and Roscommon Way appear reasonably suited to meet future needs although their proximity to the Thames estuary, relative remoteness and potential drainage issues may deter development. Over 90% of the borough's allocated employment land is in Canvey Island with limited supply elsewhere to meet future demand.

13.11 While some 32 ha of undeveloped land was identified with potential for employment development, not all of this is certain to come forward for general employment use within a reasonable timescale. Taking account of potential constraints, the amount of land which would have reasonable prospects of coming forward for future employment needs amounts to about 21 ha, almost all of this on just two large sites.

## Need for Additional Employment Land

13.12 Comparing future requirements with the current supply of employment land in the Borough suggests there is an adequate quantitative supply of industrial space to meet future needs to 2031, under different estimates of future demand. This situation would apply even if a number of sites do not come forward for development. However, there is a risk of a modest shortfall over the 2010-15 period if demand remains at past levels.

13.13 Despite this surplus, there may be a qualitative need for some more sites that are readily available and better located to strategic roads and population centres in the north of the Borough. Such sites might also have better prospects of attracting developers. They could also enable the decanting of firms in established industrial areas and modernisation of the stock in the older areas. The amount of such land required would be modest but would need to be of sufficient scale to make development and infrastructure provision viable. One or two sites of up to 5 ha in combined area may be adequate. This may require some release of Green Belt land.

13.14 For offices, there are a very limited number of sites with potential for new office development. While the existing office market is small, constrained by larger office centres nearby and with fairly low levels of demand, over the next 19 year or so, it is reasonable to expect some growth in office based activities in Castle Point to help achieve growth in higher value and better paid jobs. Given local market conditions, allocating new sites specifically for office development risks these failing to attract development. Some modern office space should be sought within mixed use developments in the larger town centres and along with residential schemes near such centres. On this basis, suitable sites could be allocated for mixed use development with a requirement to provide an element of offices. This may help the Borough start to develop a small office market and build on this over time.

## Managing Economic Growth

13.15 In terms of creating more local office jobs, providing more sites would not necessarily achieve this as local demand is low and the office market is undeveloped. It would therefore be important to start trying to build up a local office market through more start-up facilities to accommodate small firms that may, in time, require larger office premises. Including some small office units within mixed use schemes would also help this process. Over time, this may create demand for more office space but it may be a slow process in terms of having any significant reduction in out-commuting.

13.16 It would appear difficult to achieve any sizeable reduction in out-commuting in Castle Point. However, various approaches could help avoid the situation worsening and may start to put in place long term steps towards greater self containment of jobs. These would include providing some more immediately available industrial sites in the north of the borough, near strategic roads and adopting measures (as in paragraph 1.28) to encourage their development and occupation.

13.17 Given potential difficulties in getting the market to deliver such space in Castle Point, various mechanisms to encourage such provision should be looked at including Council joint ventures with developers, rent guarantees and appropriate use of LDOs in certain locations. Council support for, or collaboration with specialist developers, to provide small, start-up, flexible business units could also be considered, either through new build or conversion of older premises.

13.18 In terms of capitalising on major new economic developments in adjoining areas, it is not obvious that a new road access to Canvey Island could enable the area to benefit to a much greater extent from the major port and distribution development at London Gateway in Thurrock. The cost of such infrastructure would also need to be weighed against the scale of economic benefits likely to accrue to Canvey Island, and the extent of these do not appear likely to be major.

13.19 A specific issue considered was how the borough could achieve economic growth even if the Council plans for a modest rate of housing growth (e.g. 200 dwellings p.a.). This approach would result in a future decline in local labour supply and may constrain growth of local firms. It should still be possible to attract some firms and facilitate growth of others locally by providing good quality, accessible employment sites close to areas of demand within the Borough and taking steps to encourage development on these. However, success may be more difficult to achieve if there are constraints on labour supply and it is likely to result in higher levels of in-commuting to fill any new jobs created.

13.20 In addition, it would be important to encourage greater growth of indigenous businesses, particularly start-ups that could eventually grow into larger employers, generate growth in office and knowledge-based activities and have strong reasons to remain in the Borough. Greater Council support for new facilities offering low cost, flexible lease premises for start-up and move-on businesses would be beneficial. This could involve working with developers/operators of such facilities, encouraging sub-division of older industrial units, direct Council support or seeking Government funding for a new facility.

## Releasing Poorer Employment sites

13.21 The potential to release some of the smaller, poorer performing, employment sites has been considered. However, 12 of the 27 employment sites assessed are allocated for residential, retail or parking use in the Local Plan, suggesting that some employment land will be lost over time anyway. Also, most of the surplus land is on two sites which are adequate to meet future needs. This reinforces the need for a rigorous approach to considering release of any further sites in the Borough, so that any employment sites or allocations that are performing some economic role should be retained as such at the present time unless strong requirements for other land uses emerge.

13.22 Only two sites were assessed as low quality by the study. One lies in a rural part of Thundersley and has poor road access, a Green Belt location and poor access to public transport and labour supply; it performs some employment function with limited potential for other uses. The second site is cleared, suffers from poor accessibility and has planning permission for residential uses, so that its release would not harm the local supply situation.

## Meeting Shopping Needs

13.23 The NPPF states that local planning authorities should assess the quantitative and qualitative needs for land or floorspace for retail development over the plan period. When planning for growth in their town centres, local planning authorities should allocate a range of suitable sites to meet the scale and type of retail development needed. It is important that needs for retail and other main town centre uses are met in full and not compromised by limited site availability.

13.24 Long term forecasts up to 2026 may be more susceptible to change, due to unforeseen circumstances. Projected surplus expenditure beyond 2021 is attributable to projected growth in spending per capita as well as population growth. If the growth in expenditure is lower than that forecast then the scope for additional space will reduce. Long term projections should be monitored and kept under review. The implications of major retail development within and surrounding the Borough should also be monitored along with the affect proposals may have on the demand for additional development in Castle Point.

## Retail Floorspace Projections

13.25 The study identified potential capacity for new retail development within Castle Point up to 2031, amounting to almost 3,300 $m^2$ more convenience floorspace, mainly in the Canvey and Hadleigh centres, and some 8,350 $m^2$ of comparison floorspace, primarily at the Canvey, Hadleigh and Stadium Way centres (Tables 13.1 and 13.2). A further 25% additional space should be planned for on top of this retail requirement (a further 3,600 sq m gross floorspace) to accommodate Class A2 to A5 uses.

13.26 The floorspace projection related to Stadium Way serves a Borough wide need. New retail development does not necessarily need to be provided at stadium way to meet this need. In sequential terms the Stadium Way floorspace should be redirected to the main town centres. The priority for retail development should be the implementation of masterplan proposals in Cavney and Hadleigh town centres.

13.27 Some of this potential capacity could be met through reoccupation of vacant retail floorspace. The masterplans for Canvey and Hadleigh town centres should be used to accommodate this additional floorspace.

Table 13.1: Convenience Goods Retail Floorspace Projections

| Location | Additional Retail Floorspace sq m Net | | | |
|---|---|---|---|---|
| | 2012-2021 | 2021-2026 | 2026-2031 | Total 2012-31 |
| Canvey | 1,199 | 199 | 226 | **1,624** |
| Hadleigh | 859 | 127 | 144 | **1,130** |
| South Benfleet | 423 | 35 | 39 | **497** |
| Tarpots | n/a | n/a | n/a | **n/a** |
| Stadium Way | n/a | n/a | n/a | **n/a** |
| Other Castle Point | n/a | 13 | 14 | **27** |
| **Total** | **2,481** | **374** | **423** | **3,278** |

Table 13.2: Comparison Goods Retail Floorspace Projections

| Location | Additional Retail Floorspace sq m Net | | | |
|---|---|---|---|---|
| | 2012-2021 | 2021-2026 | 2026-2031 | Total 2012-31 |
| Canvey | 961 | 580 | 690 | **2,230** |
| Hadleigh | 1,948 | 372 | 443 | **2,763** |
| South Benfleet | 131 | 108 | 129 | **368** |
| Stadium Way | 280 | 1,117 | 1,331 | **2,728** |
| Other Castle Point | 94 | 78 | 93 | **265** |
| **Total** | **3,414** | **2,255** | **2,686** | **8,353** |

### Commercial Leisure

13.28 Castle Point has a limited selection of large commercial leisure and entertainment facilities, including cinema, bingo, health club and nightclub facilities but no ten pin bowling facilities or casinos. This reflects its relatively small catchment population and the proximity of larger centres in Basildon and Southend. Castle Point residents have good access to facilities in these other centres but this may limit market potential for further provision in the Borough. The study suggests that most current levels of leisure facilities in Castle Point are either sufficient to support its local population or market demand for additional provision is likely to be limited, particularly for any larger scale facilities.

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