

Background Paper: The Economy and Town Centres

- 1.1 This paper provides the background to the approach taken in the Local Plan in respect of setting out the future plan for the economy and town centres within Epping Forest District up until 2033. The strategy for the economy and town centres is closely linked to the strategic policies of the plan, particularly in relation to the quantum and location of future planned development. The Draft Local Plan incorporates policies to plan for future jobs growth, and the identification of sites and areas to meet future land requirements and employment needs. In addition, policies seek to establish the future town centre hierarchy and plan for the retail needs of the District, both in terms of the type of additional retail floorspace that will be required, and where this should be located. Further policies relate to the food production industry and glasshouses, and tourism.

Where we are now?

- 1.2 Epping Forest District is an area of contrasts. More urban in the south abutting London but in stepping beyond the M25 the District becomes more rural in nature. The area has a number of smaller town and population centres with no single higher order conurbation. Unsurprisingly given its position, the District has very high levels of out-commuting with around half of working residents commuting into London.
- 1.3 Epping Forest District is not a self-contained economy, but an integral part of a functional economic geography that extends well beyond its boundaries. This is best expressed at two levels:
- a strong core geography of Epping Forest District with good links south into parts of central London, with the potential for a much stronger functional relationship with Harlow in the future, based on commuting flows; and
 - a less strong, but still functional wider economic geography which covers parts of central London, East Hertfordshire, Harlow, Uttlesford, Brentwood, Broxbourne, Enfield, Stansted, Chelmsford, and Cambridge.
- 1.4 Much of the employment that is located in Epping Forest District is in the service sector, often meeting the needs of local residents rather than exporting services to other areas. Epping Forest District's economy has key strengths in the construction (with several large administrative offices for large firms and contractors travelling out daily), tourism and service sectors as well as the horticultural and glasshouse industry. There is limited distribution activity. Growth has been particularly strong in construction and transport/communications sectors, with declines experienced in the energy and water and manufacturing sectors. Small businesses are particularly important to the local economy, with micro businesses and small businesses combined making up a total of 60% of overall employment within the District. The District has relatively high levels of self-employment. Average wages within the District compare favourably with national and regional averages. As might be expected due to the strong commuting pattern into London, the average wages for those living in the District but commuting for work are considerably higher than those working in the District.

- 1.5 The Employment Land Review¹ identifies 42 ‘employment’ sites within the District, 16 of which were formally allocated, and 26 unallocated. In total these sites provide 127ha of employment land, which includes 536 separate employment related premises. The largest single employment site is Oakwood Hill Industrial Estate in Loughton which includes 148 businesses. The site is occupied by some high profile companies occupying large premises, which includes the Bank of England, Clinton Cards and car dealerships (Vauxhall and Volkswagen). Sites in rural areas tend to be general industrial parks occupying plots which are buffered by trees and foliage to screen from sensitive neighbouring uses.
- 1.6 London is a clear economic driver with influence on the District but Harlow is also a major location for economic growth, particularly with its Enterprise Zone status. The Harlow Enterprise Zone (serving all of West Essex) is seeking to create high quality, high technology employment close to the District. The West Essex Alliance is promoting economic prosperity in West Essex through the Essex County and South East LEP structures. Development and employment at North Weald Airfield features in the County Council and LEP’s plans for growth. Epping Forest District sits within the London-Stansted-Cambridge Corridor’s plans which include promoting growth in sectors such as food and life sciences.
- 1.7 The district has long been home to part of the Lee Valley glasshouse industry, now mainly focused in Roydon, Nazeing and Waltham Abbey. The District has historically provided a favourable location for the industry, with largely flat land, rich soil, ample water supply, and good proximity to London through road, rail and canal links. The industry experienced rapid post-war growth, but has subsequently experienced rapid decline due in part to growing competition with other land-uses, increased competition from other areas, and technological improvements. The industry continues to rely significantly on migrant/seasonal labour for most of the glasshouse and packhouse jobs. However, the cost of local accommodation is too great for such employees, so some growers have made provision on site – a mix of permanent, temporary (caravan/mobile home), or building conversions, many without permission.
- 1.8 Glasshouse horticulture is an appropriate use in the Green Belt, but technological changes and competition pressures mean new glasshouses have to be much larger in area and significantly taller, increasing their impact on the locality. Some growers are looking to expand significantly, others are stable with some relying on niche markets, and the rest are in long-term decline or are already derelict. Packhouses are vital to the industry, allowing growers to enter into long-term contracts with the supermarkets on the basis of guaranteed volume throughout the year.

In terms of tourism, the district has many attractive facilities to suit a range of interests. These include Epping Forest, Waltham Abbey Church and gardens, the Lee Valley Regional Park, historic North Weald Airfield, Greensted Church, the Royal Gunpowder Mills and the market towns of Chipping Ongar, Epping and Waltham Abbey. The White Water Centre, constructed for the 2012 Olympics, and just over the district border in the Lee Valley near Waltham Abbey, could also be a catalyst in the medium to long-term to encourage sport and other tourism-related activities in the locality.

¹ Epping Forest District and Brentwood Borough Employment Land Review (Atkins, 2010)

What the evidence and policies say

National Planning Policy requirements

- 1.9 National policy² requires the planning system to place a considerable emphasis on supporting economic growth. Local Plan policies for the economy and town centres should be based on adequate, up-to-date and relevant evidence and integrated with other policy elements, particularly housing. It further reinforces the requirement for cooperation with partners and across boundaries in maintaining a robust evidence base to understand current needs and likely changes. National policy also sets the requirement for Local Plans to address barriers to investment, holistically assess needs for land or floorspace as well as the sufficiency and suitability of existing and future land supply. Local Planning Authorities should also have specific regard to the role or function of their town centres, assess locations of deprivation and assess the needs of the food production industry.
- 1.10 In terms of town centres, Local Plans should define a resilient network and hierarchy and the extent of shopping areas. Plans should promote competitive town centres that provide choice, a diverse offer and reflect individuality; they should support existing, and create new, markets and allocate sites to meet a range of uses/needs, including edge of centre sites.
- 1.11 The NPPF promotes the sustainable growth of all types of businesses in rural areas, including conversion of, and new, buildings. This includes the development and diversification of agricultural and other land-based businesses and the supporting of sustainable rural tourism activities as well as the encouraging the retention and development of local services.

Responses from the 2012 Community Choices consultation and stakeholder engagement

- 1.12 One of the key issues most raised in relation to the economy was that the need to establish as accurately as possible forecasts for numbers of new jobs which would be needed during the plan period to 2033.
- 1.13 Key areas of concern in town centres related to a need i) for a better balance of uses in the centres, although recognising the Council is limited in its influence and (ii) to protect their heritage and character, including control of shop front design. Further key observations were that in the absence of larger chain shops residents will shop further afield to make certain purchases and also a feeling that rents and rates in our centres are too high. Town centre parking was also strongly raised as an issue, in particular in relation to competition for space between shoppers and commuters near Underground stations.
- 1.14 The Community Choices consultation revealed support for developing leisure and tourism uses to provide further employment. Furthermore, respondents advocated new ways of working, including the promotion for example, of business clusters, live/work units and home working. Specific reference was also made to agriculture and food production.

² National Planning Policy Framework and Planning Policy Guidance

- 1.15 Respondents said that the Local Plan needs to acknowledge agriculture as the major land use of the district. Farming supports the rural economy, addresses food security, reduces the need for food imports (in turn reducing CO₂ emissions from transport), and protects the countryside.
- 1.16 There is concern about HGV traffic on unsuitable rural roads and impact on the character of villages. Concerns were also raised in relation to derelict agricultural and food production sites located in the Green Belt, which respondents felt should be properly managed. Some felt that these sites should be protected from development for other uses, with other respondents considering that the sites may be used for future housing or employment development as an alternative to developing more valued areas of Green Belt. Concerns were raised in relation to the potential impacts from taller glasshouses within the Green Belt.

Key Evidence sources

- 1.17 Epping Forest District Council, along with the Cooperation for Sustainable Development Board member local authorities commissioned work in 2015 on the economy of West Essex and East Hertfordshire³, to inform an updated Strategic Housing Market Assessment (SHMA) and Objectively Assessed Housing Need (OAHN) for the four local authorities. In addition, the Council commissioned a further study by the same consultants to specifically examine the Epping Forest District economy by undertaking detailed research and considering future employment land supply requirements⁴. The study provides clear recommendations for the future economic strategy based upon the research and forecasts undertaken.
- 1.18 According to the East of England Forecasting Model as at 2014 the District needed to plan for 470 additional jobs per annum. This included some provision for jobs growth at Stansted. However, the study provided an adjusted updated scenario which utilised current growth assumptions based on a continuation of employment growth trends across the FEMA for the period 2000 – 2013 and to take account of a likely higher level of job growth at Stansted. The scenario recognises that jobs growth at Stansted could result in a change in the distribution of jobs across the FEMA area. This indicated that between 400 – 455 jobs per annum would be likely to be required over the plan period 2011 – 33. More detailed information can be viewed in the Hardisty Jones Associates documents referenced at the foot of this page.
- 1.19 The Epping Forest District scenario of 400 - 455 jobs per annum compares to the original East of England Forecasting Model (EEFM) 2014 Baseline derived figure of 470 jobs per annum. The slight downward adjustment from the EEFM 2014 Baseline is as a result of growth at Stansted drawing labour and economic activity away from other parts of the sub-region, including from Epping Forest District. The Council considers that there is a need to

³ Hardisty Jones Associates (July 2015) Economic Evidence to Support the Development of the OAHN for West Essex and East Herts

⁴ Economic and employment evidence to support the Local Plan and Economic Development Strategy (Hardisty Jones, September 2015)

take into account growth in Stansted and therefore the number of jobs that it should be seeking to accommodate should be toward the higher end of the Hardisty Jones Associates reports, being around 10,000 jobs over the Local Plan period.

- 1.20 The greatest number of additional jobs over the plan period is expected to be in the construction sector. Other sectors projected to experience substantial growth are business services, education, health and care and professional services. Conversely decline is predicted in transport and employment activities, agriculture, manufacturing, public administration and retail. It should be noted that decline in agriculture may not fully reflect glasshouse potential locally.
- 1.21 For Use Class B1a (offices), there is gross demand of up to 13 hectares. This could be met within current policy, although according to the latest Strategic Land Availability Assessment (SLAA)⁵ much of the potential supply (much of which is not currently designated) may not be deliverable (due to factors such as unknown ownership and contamination). Some of this could be accommodated in town centres. There is significant potential development land outside current policy.
- 1.22 For Use Classes B1b, B1c, B2 and B8 (industrial and warehousing) there is a projected decrease in employment, but still a demand for up to 18 hectares of land, due to replacement demand and the need for choice in the market. This could be met within current policy, although much of the potential supply may not be deliverable. There is significant potential development land outside current policy.
- 1.23 In Use Class C (hotels and residential), there is some demand for hotels⁶. There is also likely demand for care homes (including nursing homes and extra care developments). In Use Class D (non-residential, assembly and leisure), the estimated demand is for up to 9 hectares of land. This will be required in town centres, out-of-town and throughout the District.
- 1.24 The Employment Land Review identifies that a small but significant proportion of employment sites offer opportunities for intensification of development and/or redevelopment at higher densities. There is a need for further 'grow on' space to accommodate the needs of existing businesses and to ensure their future retention in the District. Existing businesses are generally satisfied with their business accommodation, but evidence shows that they are likely to require additional floorspace in the future to meet their business expansion requirements. This particularly applies to manufacturing businesses.
- 1.25 Given the limited supply of readily available employment sites within current policy constraints, there is potential to consider a programme of renewal for some sites, in particular those where Epping Forest District Council has some ownership e.g. Oakwood Hill. This will help to make the most of existing land alongside the consideration of new allocations.

⁵ Strategic Land Availability Assessment (NLP, 2016)

⁶ Visitor Accommodation Survey (Hotel Solutions, 2016)

- 1.26 In relation to Glasshouses, the sector makes a significant contribution to the local economy and employment. However, growth in the glasshouse industry is constrained by planning designations, constraints in the Lee Valley Regional Park and commercial pressures on site availability from other uses. The glasshouse industry provides two areas of opportunity for future employment and economic growth. The first is the employment of local workers in the existing sector and the second is in the growth of the industry and new jobs that will be created. The industry appears to have good growth prospects, and food has been agreed as one of the sector priorities for the London-Stansted-Cambridge Corridor⁷.
- 1.27 The Lea Valley Food Task Force seeks to create a production base by 2035 that exceeds 2014 levels of production by a minimum of 20%. The Task Force recommends that there is a need to develop robust employment and training provision and pathway to ensure that the industry has a skilled local workforce.
- 1.28 The town centres of the District experience a significant leakage of comparison retail spend, as many of the District's residents choose to shop outside of the District for items like clothing, furniture and major home appliances. This is not surprising given the relatively small nature of the District's town centres compared to other areas within reach, such as Harlow, Romford, Enfield, and Brentwood.
- 1.29 In 2016 a review of each of the 12 defined settlements and Town and Small District Centres within Epping Forest District was completed⁸. The review of the defined settlements across nine key themes has informed the development of place-specific visions and aspirations to inform the process of site selection and allocation within the draft Local Plan and fed into policy drafting for places and settlements in the District. The review of the District's Town and Small District Centres addresses all six of the Principal, Smaller and District Centres identified in Local Plan Policy TC1, and the Town and Small District Centres set out in the Town Centre Study (2010). A Town Centre 'Health Check' has been completed for each centre which provides an overview of the District's Town Centres in terms of population and retail floorspace, and recent changes in the composition of the retail offer within each centre. Future Town Centre needs have been examined based upon National Planning Policy Framework requirements, expected population changes, evolving consumer demands, employment projections and the current development pipeline. This has helped to shape Draft Policy E 2 which establishes the town centre hierarchy and future retail policy for the District.
- 1.30 In terms of future needs, the Town Centre Review provides recommendations in relation to Town Centre policy for the Local Plan. Further work is required to confirm whether future retail provision requirements are needed for inclusion within the Plan. Updated market share data is required to provide clarity on the actual level of need to be accommodated within the Plan. However, the Review has provided important evidence to inform the Draft Retail Frontage Policies for the Town and District Centres.

⁷ Economic and employment evidence to support the Local Plan and Economic Development Strategy (Hardisty Jones, September 2015)

⁸ Town Centres Review (Arup, 2016)

- 1.31 The Town Centre Review concluded that the Council has to take into consideration the changing nature of town centres recognising the influence of the internet on trading, an increasing demand for services and the level of forecast growth across the District. While population growth is forecast, this does not necessarily translate into a need for more shop and service floorspace, particularly given the competition from nearby centres such as Westfield and the impact of internet trading. Indeed an over provision of floorspace could be detrimental to the health of centres, which in a number of cases have seen some decline in the level of retail provision. Equally under-provision will generate more journeys and potentially diminish the attractiveness of centres. Increasing the market share of retail expenditure is considered to be an unrealistic position for the District, given the established nearby retail offer, including Harlow, Chelmsford, Romford and Westfield that the District can and does not wish to compete with together with greater use of the internet for making purchases.
- 1.32 The Review concludes that a constant market share is more realistic, and identifies a need for up to 59,700sq.m of floorspace. When 'pipeline' development is removed there is a net need of 39,700sq.m. From this it has been assumed that approximately 40% will be provided in Harlow (noting the link with the strategic allocations), recognising the contribution this town makes to service the needs of the District. Table 11 of the report illustrates the proposed distribution of future floorspace requirements across the settlements, based on maintaining the same percentage mix of comparison/ convenience and other floorspace types.
- 1.33 For convenience and A3-A5 restaurant, drinking establishments and hot food take away uses, the Review recommends that new floorspace should be distributed across existing centres and those settlements where growth is proposed to the settlements which would result in some small allocations (in practice probably representative of a shop extension/ change of use). The application of the size threshold suggests there would be potentially be a need to allocate sites in Chigwell, North Weald Bassett and Theydon Bois on the basis of the proposed allocations in these settlements.
- 1.34 For comparison and A2 uses, the Review provides recommended floorspace aggregated up to the nearest large centre designated under the proposed centres hierarchy. The comparison floorspace need is however subject to the caveat that the level of growth assumes the same level of attractiveness for comparison shopping as surveyed in 2009.
- 1.35 Given there is uncertainty as to the attractiveness of the centres and the market share of expenditure retaining the District, the Review recommends that the amount of floorspace suggested by the model should be given further consideration as the Local Plan is developed. The review concludes that a consumer survey should be completed to further inform the quantum of floorspace required in the period to 2033 as premature provision of new space may damage the prospect of existing centres. The new retail park in Loughton should be given consideration as an 'out of centre' designation in the Draft Local Plan. This site is under construction and as such this would be an appropriate policy designation. The need for other out of centre sites should be reviewed once the findings of the suggested market share analysis is known.

- 1.36 Tourism provides an important source of revenue and employment for the District. Evidence⁹ suggests that in 2014 tourism provided for over 2,500 full time equivalent jobs in the District, which equated to approximately 7% of overall employment in the District. The total value of the tourism industry for the District equated to almost £200 million in 2014.
- 1.37 The Council considers that there is clear potential to develop the tourism sector locally, drawing on the ‘green and unique’ character of the district. This ambition has gained momentum in recent years with the formation of a district-wide tourism group comprising a wide range of stakeholders. Both Epping Forest and the Lee Valley Regional Park (LVRP) provide direct green links into the area from London and offer leisure and recreation activities.

⁹ Economic Impact of Tourism (Destination Research, 2014)