

Town Wide Employment Study for Bishop's Stortford

Final Report

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East Hertfordshire District Council
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Wessex Economics Ltd
Berkshire House
252-256 Kings Road
Reading RG1 4HP

T: 0118 938 0940

Contact: chris.cobbold@wessex-economics.co.uk

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Executive Summary

The economy of Bishop's Stortford and Stansted is prosperous. The key drivers of growth are Stansted Airport, an excellent rail service into central London and good road links via the M11 to London, the M25 northern sub-region and Cambridge. Bishop's Stortford is well positioned in relation to the UK's most dynamic economies.

The town is still relatively small and retains its charm as a market town. The quality of life is an important economic asset and the town has a skilled population. A high proportion of residents are highly skilled and well paid, though many work outside the area. The appeal of the towns and villages around Bishop's Stortford reinforce its attraction as a place to live and work.

The town faces two key challenges: accommodating the inherent potential of the area for economic growth, without sacrificing the quality of life of residents; and the need to plan for the provision of employment land in the right locations to allow the provision of modern business space for employers. This study provides EHDC with guidance on what employment space is needed where over the next 15 to 20 years.

Much additional employment will be associated with growth in the retail and leisure sector, in health and educational provision. This will reinforce the existing role of Bishop's Stortford town centre as a major centre of employment and services. The other major source of employment growth (other than that associated directly with the airport) is likely to be business and financial services.

Growth in business and financial services will increase the requirement for office, research and technology floorspace (B1 use class). There has been relatively little development of new office floorspace in the town centre in recent years, and a significant part of the stock is not suited to modern business requirements. Action is required to bring forward additional supply of office floorspace in the town centre.

There is demand for modern office floorspace both in Bishop's Stortford town centre, but there is also interest in office and B1b and B1c (R&D and light industrial) space in edge of town locations. Existing industrial estates in Bishop's Stortford provide adequately for the requirements of business for industrial (B2) and warehousing space (B8).

Emerging proposals by Uttlesford District Council will significantly increase the supply of land for industrial and warehousing space uses on the east side of the M11. Given that much of the requirement for warehousing and industrial space may be linked in some way to businesses that service the airport, it is appropriate to expand provision to the east of the M11 rather than to the west.

EHDC should be proactive in seeking to promote the development of new office space in Bishop's Stortford town centre, and the redevelopment and re-provision of outdated office accommodation in acceptable locations. It is particularly important to ensure that the plans for the development of the Goods Yard site have a significant element of office (B1a) floorspace.

Development proposals for the Mill Site are likely to come forward in the medium to long term. As with the Goods Yard site, EHDC should seek to encourage redevelopment for a mix of uses including office B1a space.

EHDC should seek to ensure that the stock of office floorspace in the town centre is maintained at least at current levels. Over time older stock should be replaced with newly built or refurbished space. Some conversion of existing office accommodation to other uses should be permitted but the focus should be on replacement of larger older offices which are no longer fit for purpose, or not centrally located.

The range of small offices in the town centre let on relatively cheap rents provides valuable incubator space for small business. Policies to protect such space from conversion to higher value uses (eg residential) should be developed. There would be merit in seeking to bring such space under common management, perhaps through a Development Trust or Community Interest Workspace Company.

EHDC should identify a range of edge of town sites that could accommodate B1 uses over the next 20 years. These sites would not come forward at the same pace, and EHDC would need to work with landowners and other parties to bring them forward. Key recommendations regarding the location of new employment sites on the edge of Bishop's Stortford are as follows:

- In order to meet currently identified requirements (years 0 to 5) for a choice of employment sites, EHDC should seek to incorporate proposals for employment (B1 development) at Hadham Road (Site E) as part of the Bishop's Stortford North proposals of around 3 to 4 hectares
- In order to meet medium term (Years 5-15) requirements for B1 space, EHDC should engage with Bishop's Stortford Football Club and relevant landowners to identify relocation options (Site A); with a view to removing the site from greenbelt and designation as an employment site
- With respect to longer term requirements (15+ years) EHDC should make representations to Uttlesford District Council that the Birchanger site should be identified for mixed employment (B1) and residential development in the longer run (Site B).
- EHDC as part of the preparation of the new Local Plan should reserve a site on the South Stortford site (Site F) for employment land development. This might be used to compensate for loss of employment land if it is deemed that some of the industrial units south of the town centre are functionally redundant.
- Alternatively the site might be required for relocation of Bishop's Stortford Football Club, or for development of employment floorspace to meet local business requirements and sui generis uses that are not suited to the town centre.

Within Bishop's Stortford, EHDC should foster the renewal of existing industrial estates and work to improve access to these estates. The most significant action required is to improve the highways access to the estates accessed by means of Raynham Road.

In terms of economic development actions, Wessex Economics believe the key task of the authority is to plan strategically for the anticipated growth of the area and ensure that the appropriate infrastructure to deliver growth is put in place in a timely manner.

1. About this Report

Study Objectives

This report has been prepared by Wessex Economics on behalf of East Hertfordshire District Council (EHDC). The purpose of the study is threefold.

- First to set out an overall vision for economic development in Bishop's Stortford, given the town's existing strengths and future opportunities. In doing so, Wessex Economics is mindful of the overall vision for the town set out in the Bishop's Stortford 2020 Vision Document.
- Second to advise the Council on how Bishop's Stortford can continue to prosper through the growth of business and employment, including an assessment of the types of business which are likely to underpin the local economy.
- Thirdly to give the Council advice on the requirement for employment sites for offices, industry and warehousing in Bishop's Stortford. This is particularly pertinent at this point in time when the Council is considering the planning applications for development to the north of Bishop's Stortford.

The Study Area

The recommendations made in this study relate specifically to the town of Bishop's Stortford in East Hertfordshire District. However the study sets out a strategy for both the town of Bishop's Stortford *and* for the area around Stansted airport. It would be folly to examine the prospects for economic and employment growth in Bishop's Stortford and how to provide for that growth without recognising the importance of Stansted airport to the local economy; and without acknowledging the need for a co-ordinated approach to economic development between East Hertfordshire District Council and Uttlesford District Council.

Stansted Airport is Bishop's Stortford's largest employer (unless you were to count the City of London as a single employer). Stansted Airport Ltd (SAL) employs around 1,300 people directly. In 2011 some 10,230 people worked at Stansted airport, and around 2,500 of those live in East Hertfordshire. It is not known how many live in the town of Bishop's Stortford itself, but it would not be surprising if at least 1,000 residents of the town work at the Airport. Moreover Stansted Airport is also an important driver of the Bishop's Stortford economy. Many businesses in Bishop's Stortford do business with the airport, or with businesses associated with the airport.

Discussions with commercial property advisors in Bishop's Stortford have also confirmed that there is a single property market covering both Bishop's Stortford and Stansted. Some occupiers will specify that they want business space in Bishop's Stortford town centre, others will specify that they want to be located at the airport. But many business occupiers with a space requirement will examine what is on offer in Bishop's Stortford and in the area around Stansted airport, both at the airport itself and in the immediate, predominantly rural, environs. Many of the commercial space, offices, warehouses and industrial units in Bishop's Stortford itself are occupied by businesses that have links with the airport.

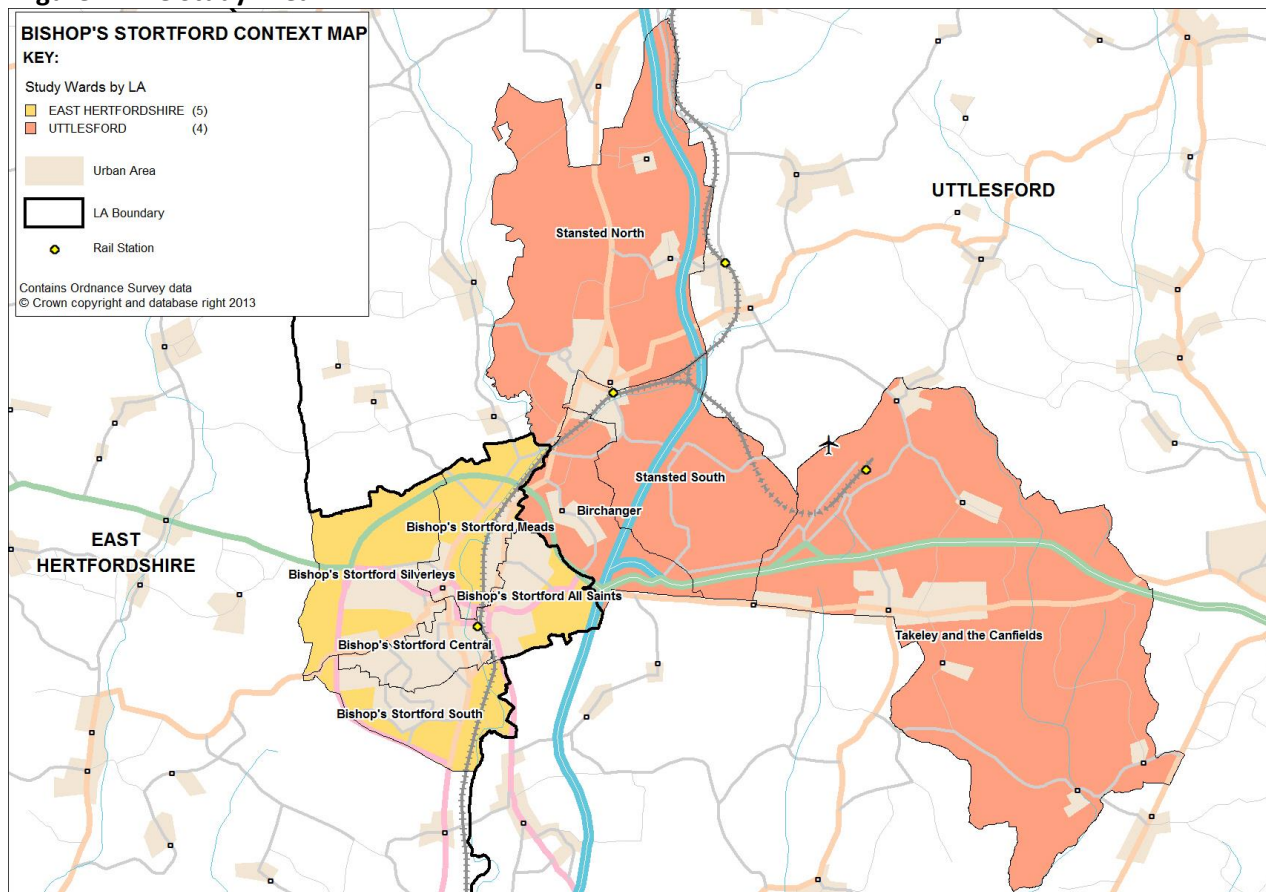
It would clearly make no sense to prepare an economic strategy just for Bishop's Stortford, without considering what is happening at Stansted; nor to consider the market for employment space and the need for

employment land in Bishop's Stortford without considering the market and available and planned provision for business space in the neighbouring parts of Uttlesford District.

Moreover, both East Hertfordshire and Uttlesford District are in the process of preparing Local Plans. The National Planning Policy Framework places upon both local authorities a 'duty to co-operate' in preparing their statutory development plans; this study will contribute to the evidence base that needs to be considered in the process of preparing these plans, covering an important area that operates as a single functional employment and property market, on both sides of the county and district council boundary.

This study examines the profile of the economy and the features of the commercial property market across this area. In this report the area is referred to as *Bishop's Stortford and Stansted*. The extent of this area is shown in Figure 1. Sometimes the report distinguishes between Bishop's Stortford, in which case this refers to that part of the larger area covered by the town of Bishop's Stortford itself¹; and also to Stansted, which is the area covering and surrounding Stansted Airport and including Stansted Mountfitchet and Takeley.²

Figure 1: The Study Area



¹ Comprising the Bishop's Stortford wards of All Saints, Central, Meads, Silverleys, South.

² Comprising the four wards in Uttlesford District of Birchanger, Stansted North, Stansted South and Takeley and Canfield.

2. Strategic Context

In large measure the economic success of any locality can be predicted by reference to how a place scores in terms of five inter-related factors:

- Strategic accessibility
- Skills
- Innovation
- Quality of Life
- Critical mass

Bishop's Stortford and Stansted is a successful and prosperous area. The key dimensions to its success are strategic accessibility, quality of life, and its skills base. Though hard to measure Wessex Economics would suggest that it performs less well in terms of innovation than London to its south, and the Cambridge sub-region just to the north along the M11. In no small measure, this relative lack of innovation results from its modest size – which means it does not host any universities, and lacks the scale to achieve strong clustering of innovative businesses. Thus the economy of Bishop's Stortford and Stansted is a function of its size, connections and location.

Size

Bishop's Stortford is, in essence, a market town that has grown significantly over the past decades, but remains a relatively small town. The historic character of the town is a major factor in its appeal as a place to live. Together with the quality and character of the surrounding villages, the character of the town is a major factor in the perceived quality of life of the Bishop's Stortford and Stansted area. This quality of life is itself an economic asset. Well qualified people choose to live in the area, and both this and the quality of environment appeals to certain types of businesses, often those independently owned, where directors have discretion over their business location.

However the modest size of the town means that it will not attract large employers. The labour market is already quite tight, reflected in low levels of unemployment. Bishop's Stortford itself has a total population of 38,000 people, with the Stansted area having a population of 13,000 people, a combined total of 51,000. By comparison Harlow has a population of 65,000, and Cambridge a population of 124,000. The M11 corridor is not characterised by the cluster of towns along the A1 (M), that give greater critical mass to employment centres along the A1 (M).

Connections

Though the town lacks scale it is strategically placed on key north-south road and rail routes.

The M11 opened over its full length in 1980. Bishop's Stortford is located immediately adjacent to Junction 8. This affords good access south and north, but in terms of road links, it is the connections to the south to London and the M25 that are of the greatest strategic importance. The proximity to London and the towns

around the M25 are much more important to business than the link to Cambridge and beyond, in terms of business and travel to work patterns

The fast rail service into London Liverpool Street from Bishop's Stortford (38 minutes) and Stansted Airport (47 minutes) is also of considerable economic importance to the area. These links are of importance to a number of Bishop Stortford based businesses who serve clients in London. A very significant number of residents of the area also work in London, particularly in the City of London. Other services to intermediate stations between Bishop's Stortford and London and to Cambridge are likely to be of much less strategic significance.

Census information on just how many residents of Bishop's Stortford and Stansted travel into London to work is not yet available. However around 3,000 Bishop's Stortford residents travel by train to work; and it is reasonable to expect that the majority of these travel to London.

Location

The key driver of growth of the employment in Bishop's Stortford and Stansted has been the airport itself. As noted previously by the SAL report, there are around 10,230 people working at Stansted Airport, and around 2,500 of those live in East Hertfordshire³. Official employment statistics indicate that around 12,200 people are employed in the Stansted area, including 8,100 in Takeley and Canfield ward, the ward in which the Airport Terminal and related activities on the south side of the airport are located⁴.

Though employment at Stansted Airport has declined in recent years, without question the airport and its operational requirements are the major factor underpinning the economy of Bishop's Stortford, directly and indirectly. However, there is little evidence to support the notion that many businesses have located in the area because they have a regular requirement to fly to destinations served by planes flying from Stansted.

³ Stansted Airport Ltd (STAL) Employment Strategy 2012

⁴ Source: Business Register and Employment Survey 2012

3. Current Employment Strengths

Employment in the Bishop's Stortford and Stansted Area

In 2011 some 26,400 people were employed in the Bishop's Stortford and Stansted area⁵. Adding in the 4,130 self-employed people living in the area⁶, this means that there are some 30,530 people working in the Bishop's Stortford and Stansted area.

Overall, employment in the Bishop's Stortford and Stansted area has fallen (by 1,600 jobs or -5.6%) since 2008 as a result of declining employment in the Stansted area. This is associated with falling passenger numbers passing through Stansted airport. Between 2008 and 2011, SAL report that the number of people employed at the airport fell from around 12,000 in 2008 to 10,230 in 2011, a fall of around 1,100⁷.

The decline in employment in the Bishop's Stortford and Stansted area is similar to that of East Hertfordshire (-5.7%), yet compared to the regional (-2.9%) and England average (-2.7%) the decline is much more substantial.

Yet despite a sharp fall in employment during 2008-2010, the Bishop's Stortford and Stansted area, district and county have experienced a stronger recovery since 2010 than that seen in either the region or nationally. For instance, employment rose by 3% (800 jobs) in the Bishop's Stortford and Stansted area during 2010-2011, 2.7% in East Hertfordshire and 1.1% in Hertfordshire compared with 0.7% in the region and 0.3% in England.

It is worthy of note that over the period 2008-11, employment in the town of Bishop's Stortford (as distinct from the wider area) has grown (by 100 jobs), despite the weakness of the national economy. It would appear that the relatively poor performance of the Bishop's Stortford and Stansted area in recent years, has been entirely associated with reductions in employment at Stansted Airport as passenger numbers fell.

Just 8 sectors (out of 18) account for three quarters of all employment in the Bishop's Stortford and Stansted area as follows:

- Transportation and storage (including postal) accounting for 20.5% of total employment (5% in England)
- Retail accounting for 12.8% of total employment (10% on England)
- Accommodation and food services (9.0% compared to 7.0% in England)
- Education (8.3%, compared to 9% in England)
- Business administration and support services (6.8% compared to 8% in England)
- Professional, scientific and technical activities (6.3%, compared to 7.5% in England)
- Manufacturing (6.2% compared to 9% in England)
- Construction (5.6% compared to 5% in England)

⁵ Source: Business Register and Employment Survey 2012

⁶ Source: 2011 Census of Population

⁷ Source: Stansted Airport Ltd (STAL) Sustainability Report 2011

The two parts of the study area largely complement each other. The Stansted area has proportionately high representation of: Transport and Storage; Accommodation and Food Services; Manufacturing; and Construction employment. The town of Bishop's Stortford has a very high proportion (19% of all jobs) in retailing and a high proportion of jobs in: education, professional, scientific and technical activities; arts and entertainment; and a range of business service functions.

Activities in which the local economy has a relative strength compared to the national economy are:

- Transport and storage - LQ of 4.6
- Retail - LQ of 1.3
- Motor Trades - LQ of 1.3
- Accommodation and Food Services – LQ of 1.3
- Wholesale - LQ of 1.5
- Construction - LQ of 1.2

The LQ score given⁸ above indicates the extent to which the percentage employment in a particular sector is above the national (England) average. So a LQ of 1.0 means that an area has the same percentage of employment in that sector as the national average. A LQ of 2.0 means that the local economy has twice the percentage of people employed in that sector as the national average.

The analysis allows the character of the local economy to be readily summarised. Bishop's Stortford is a significant local service centre as reflected in high representation of retail, motor trades, wholesale, property and education functions; with a major airport on its doorstep reflected in the relative importance of transport and storage functions. The sector specialisms of the local economy reflect these twin functions – local service centre and major airport.

What the sectoral based analysis does not show is just how far activities across a range of sectors are tied into or derive substantial benefit from the presence of Stansted Airport. However Stansted Airport Ltd conduct a regular survey of employment in airport-related businesses and report that around 10,200 jobs in the local area are associated with the airport. If all of these jobs are located in the Bishop's Stortford and Stansted area then around 1 in every 3 jobs located the area are linked to the airport. As explained below, this does not mean that 1 in every 3 people who lives and works in the area, works in airport related activities.

The Resident Employed Workforce

There are around 28,400 economically active people living in Bishop's Stortford and Stansted, and 26,350 of these are in work⁹. The number of residents in work (26,350) is less than those who are employed or self-employed in the area (30,500). There is therefore a net commuting inflow of around 4,000 people. This figure is reflective of a large flow of people from outside the area who travel in to work in the area, particularly at Stansted airport; and large outflows of people who work particularly in London and the northern M25 corridor.

⁸ LQs calculated by Wessex Economics based on Business Register and Employment Survey Data

⁹ 2011 Census of Population

Information on travel to work patterns will in due course become available from the data collected in the 2011 Census. Some basic data is available at local authority level from the 2008 Annual Population Survey:

- Only about half (50%) of all East Hertfordshire residents work in East Hertfordshire, and an estimated 10% work in central London, and other significant outflows to adjacent authorities
- Around 65% of those who work in East Herts also live in East Herts, with the main inflows of workers from Broxbourne, Uttlesford and Epping Forest
- In Uttlesford District, slightly over half of employed residents work in the District, and an estimated 12% work in central London, and other significant outflows to adjacent authorities
- Around 59% of those who work in Uttlesford live in Uttlesford District, with the largest inflows of workers from East Herts and Braintree Districts

Further information on travel to work patterns will in due course become available from the data collected in the 2011 Census. But another way to appreciate the scale of movement into and out of the area in terms of work is to examine data on employment at Stansted Airport and the number of season ticket holders travelling from Bishop's Stortford and Stansted.

Stansted Airport Ltd report that there are 10,230 people employed in businesses associated with the airport.¹⁰ Of these only 4,000 live in East Hertfordshire and Uttlesford Districts. Therefore 6,000 people who work at Stansted come from further afield. Moreover, many of those who work at the airport who live in East Hertfordshire and Uttlesford Districts, will live elsewhere in the Districts than Bishop's Stortford and Stansted.

It is also known that many people commute by train or car to jobs outside Bishop's Stortford and Stansted. No information is yet available on where people travel to by car. But on the basis of Season Ticket data, it is estimated that around 3,000 people commute by train from Bishop's Stortford and an extra 500 from Stansted Mountfitchet. In all probability the largest numbers are travelling into central London.

These travel to work flows are important in understanding the economic character of the area. Much of the wealth of the area is earned outside the area, but is likely to be spent in Bishop's Stortford and Stansted. Thus average annual earnings of those who live in Uttlesford and East Hertfordshire are £10,000 higher than those who work in Uttlesford and East Hertfordshire.

The differential in annual earnings between those who live in the area and those who work in the area is linked to the occupational profile of the area's residents. Those in better paid occupations – managers, professional, and technical staff – are more strongly represented among the residents of Bishop's Stortford and Stansted than in Hertfordshire or the East of England as a whole.

This same pattern is mirrored in the qualifications of Bishop's Stortford and Stansted residents. A higher proportion of residents have degree level qualifications than in Hertfordshire or the East of England as a whole. The area therefore has a well-qualified labour force, but many of these will not work in the area, since they can command higher salaries in London or elsewhere in the northern M25 corridor; and indeed there may not be the sort of jobs available locally which would be suited to their expertise.

¹⁰ Stansted Airport Ltd (STAL) Employment Strategy 2012

The Paradox of the Bishop's Stortford and Stansted Economy

In the light of this analysis, there is something of a paradox about the Bishop's Stortford and Stansted economy. The economy has had its challenges, in that employment has fallen, though this is clearly linked to falling passenger numbers at Stansted; despite this unemployment is generally low (around 1,000 people according to the 2011 Census), perhaps because so many of those who work at Stansted come from further afield. Much of the wealth of the area is generated outside the area, by people who live in the area but work outside the area.

Two key challenges for the area are to ensure that local employers can recruit the staff they need for their business, given high economic activity rates and low unemployment; and to ensure that there are opportunities for those who need to or who wish to work locally, to do so. These two issues come together in that some businesses face competitive pressures and hence cannot afford high wages; these businesses need to be able to recruit locally since the cost of travel can mean that only local people will be prepared to do these jobs.

4. The Potential for Output and Employment Growth

East Hertfordshire and Uttlesford District Council have the responsibility to plan for the sustainable growth of the Bishop's Stortford and Stansted area in accordance with the principles laid out in the National Planning Policy Framework. But what can be expected over the next 20 years in terms of the overall level of job growth? What type of employers – business or public sector – can be expected to create jobs? Where will they wish to be located? What will be their property requirements? These are all important questions for planning authorities.

Identifying the Scale and Character of Economic and Job Growth

There are essentially two complementary ways to think about economic and employment growth: a quantitative approach and a qualitative approach.

The quantitative approach uses top down forecasts of anticipated output and employment growth to give an indication of expected growth. This approach is helpful in that it gives an order of magnitude of change, which can inform decisions about how much employment land is needed, what investment is required in infrastructure etc. The downside of the approach is that forecasts become progressively less robust the smaller the area they are related to. Also a top down forecasting approach does not reflect the impact that policy choices may have on outcomes. Moreover long term forecasts are always subject to significant uncertainties. The events of the past 5 years mean that the long term forecasts prepared in 2007 are significantly different to those now being published.

The qualitative approach seeks to understand the dynamics of a particular local economy, and the inherent growth potential of the area. It is better suited to informing strategy and policy development because it can be used to identify how different investment or policy decisions may produce different outcomes. The downside of the qualitative approach is that it is less good at answering some key questions about how the numbers add up. For example if we expect more jobs are created, but do not define how many, it is not possible to answer the questions *'have we got enough local people to fill the jobs and if not where will the labour come from? How much land do we need to identify for employment purposes?'*

This study presents information derived from both approaches, but relatively more weight is given to the qualitative approach because the key drivers of growth locally do not lend themselves to being easily forecast.

The Drivers of Output and Employment Growth

Wessex Economics believes that output and employment growth in Bishop's Stortford and Stansted over the next 15 to 20 years will be driven largely by three different motors of the local economy.

- Stansted Airport
- Population Growth
- Business Services

Each of these potential sources of growth is discussed in turn.

Stansted Airport

As noted previously activities associated with Stansted Airport have been the key driver of economic and employment growth over the last 20 years. Passenger numbers grew from 11.9 million in 2000 to 23.8 million in 2007. Since then passenger numbers have fallen back to 17.5 million (2012 figures). The doubling of passenger numbers between 2000 and 2007 will have had a major impact on the Bishop's Stortford and Stansted economy.

In 2013 Manchester Airports Group bought the airport from BAA; and they have announced plans to grow passenger numbers by 5 million over the next 5 years, roughly a million a year. The new owners have funds to invest to enable the airport to win new business. Whether or not this target will be achieved remains to be seen, but it would be prudent for the planning authorities to assume that passenger numbers will grow from their current base and that this will create additional jobs and attract related business activities.

Stansted Airport has considerable scope to expand passenger numbers. The airport is licenced to handle up to 35 million passengers, so passenger volumes can be doubled from current levels within currently permitted limits. The uncertainties that surround airports policy in the South East need not be an issue for this strategy, given that Stansted can expand very significantly within currently permitted limits. The issue is whether and how fast the new owners of the airport can or will build passenger numbers. Growth in passenger numbers will almost certainly entail the creation of new jobs.

Growth in passengers by 5 million to 22.5 million would represent 28% growth from current levels. Given that the airport was formerly handling more than this level of passengers before the downturn, and given the constraints at other South East airports, it seems perfectly reasonable to assume that this level of growth will be achieved in the next 10 years. SAL report that there are 10,200 jobs associated with current throughput of 17.5 million passengers. A 28% growth in employment currently associated with the airport would entail creation of an additional 2,860 jobs.

It is unlikely that there is a simple relationship between growth in passenger numbers and job growth. However if the airport continues to increase its passenger numbers over the next 15 years, then it would not be unreasonable to expect the creation of around an additional 3,000 jobs by 2026. This is broadly the end of the period which East Hertfordshire and Uttlesford District Councils are preparing Local Plans.

Wessex Economics would suggest that Local Plans need to factor in this potential level of job creation; but it should be assumed that these jobs arise both at the airport and elsewhere in the locality, not just at the airport. In all probability only a proportion of any additional job growth associated with Stansted will be filled by local residents. Currently 43% of all airport employees live outside East Hertfordshire and Uttlesford Districts. This proportion can be expected to increase significantly if the total number of jobs increases, because the labour market in the surrounding area is already quite tight.

Population Growth

A second important driver of job growth is population growth, particularly in an area where resident earnings are significantly higher than the average earnings of those working in the area. Over the decade 2001 to 2011 the population of Bishop's Stortford and Stansted increased by 5,400 people, or +10.7% a percentage figure higher than county, regional or national averages.

Local job growth tends to follow in the wake of population growth, particularly if the growth is associated with those in work or on good pensions. Typically Wessex Economics estimates that a third to a half of disposable incomes after housing costs are spent in local economies. Therefore growth in the working population is accompanied by growth in the local service sector.

Assuming that the proposals for Bishop's Stortford North proceed, the resident working population of Bishop's Stortford is likely to continue to increase (though the growth of the working population may be partly offset by the ageing population). This will provide continued support particularly for the service sector in Bishop's Stortford itself. In particular this is likely to support and expand the service offer of the town centre.

In turn growth of the service sector, in sectors such as retailing, leisure, education and health, will create jobs. The majority of these jobs will not be created on designated employment land (land suitable for B1, B2 or B8 uses), so this source of job creation is not discussed further in this report. But it is worth noting that expanding services do create *some* demand for space that can be accommodated on employment sites.

Business Services

Business services including activities such as financial services, professional services, development of software, marketing, design, outsourced service provision etc; that is the full range of private sector service activities other retailing, wholesale distribution, education, and health services.

Nationally, economic forecasters expect that growth of business services will be the major source of employment growth. This is particularly the case given anticipated reductions in public sector employment, which was a source of significant job growth in the period 2000-10. Increased outsourcing of public services is one factor in the anticipated growth of the business services sector, but not the only factor.

The Bishop's Stortford and Stansted area has a reasonable representation of small and medium sized businesses operating in the business services sector. Consultations suggest that some of these have been in the town for decades and have grown with the town. Others are in the town because their founders wanted to live in the area, and brought their business with them or set it up once they moved to the area.

There are also some in-movers. Anecdotally a number of business proprietors have favoured Bishop's Stortford as a base for their business over Harlow because it is a nicer place to work, and has similar accessibility as Harlow. Some businesses are effectively performing back office functions for their London-based offices. There are probably as many stories about how a business came to be based in Bishop's Stortford and Stansted as there are businesses.

However there seems to be a common thread that links many of the businesses located in Bishop's Stortford: the airport, the proximity to London, the fast rail service, the motorway, the draw of Bishop's Stortford town centre, and related quality of life issues. It is significant for this study that the ready availability of good quality premises does not seem to be a factor drawing people to the area, and might even be something of a barrier to attracting business. This reflects the fact that many occupiers are likely to be looking for suitable space generally in the A1(M) and M11, M25 north area, and hence Bishop's Stortford is competing with Harlow, Hatfield, Stevenage, possibly the Business Parks south of Cambridge, as well as Stansted.

Employment Forecasts

Over the next 19 years (to 2031) forecasts¹¹ from the East of England Forecasting Model indicate that employment in East Hertfordshire is expected to grow by 9,700 jobs (+15%) and 3,700 jobs (+8%) in Uttlesford. Over the next four years to 2016 the forecasts indicate that 4,900 jobs would be created in East Hertfordshire and 2,500 jobs in Uttlesford (see Appendix 1).

The EEFM forecasts anticipate that job growth in East Hertfordshire will be driven predominately by growth in the service sector (over 6,100 jobs or 63% of all job growth are forecast to be created in the financial and business services sector) with employment in manufacturing expected to decline between 2012 and 2031. If this is the pattern of growth that materialises this would generate a substantial requirement for new B1 space, while there will be a reduced demand for B2 space.

In Uttlesford the EEFM forecasts anticipate that job growth will be concentrated in services, with growth of +1,300 in professional services and +800 in business services. Job growth is also expected in the construction with 800 additional jobs. Wessex Economics think it is unlikely that any consideration has been given in the EEFM modelling to the particular profile of employment that would be associated with significant growth of passenger volumes at Stansted.

As noted above the EEFM forecasts anticipate rapid job growth in the next four years to 2016, with over half of all the jobs to be created in East Hertfordshire and Uttlesford in the period to 2031 created in the next 4 years. This slower job growth post 2016 is a function largely of labour market constraints.

In Wessex Economics' opinion, the scale of job growth set out in the period to 2016 is implausible, given relatively high levels of economic activity and employment, and could only be sustained by drawing in labour from further afield. It reflects the dominant feature of most current economic forecasts that anticipate a robust recovery of the UK economy prior to 2016. Forecasts of a robust recovery have been pushed further out over the past few years as the recovery has failed to materialise.

This view mirrors the assessment made in DTZ's report *East Hertfordshire Employment Forecasts and Strategic Development Advice*. This puts forward the view that employment will not recover at the pace set out in the EEFM forecasts, with the possibility that the UK will grow at a significantly slower pace than observed over the 1991-2008 period for a number of years. This would restrict employment growth to below the levels forecast

¹¹ DTZ, prepared on behalf of East Hertfordshire Council, *East Hertfordshire Employment Forecasts and Strategic Economic Development Advice Final Report*. November 2012.

by the EEFM. This is particularly the case since employment growth has been robust over the last 12 months, although there is substantial under-employment throughout the UK; that is people who are in work but working fewer hours than they want to.

Notwithstanding this assessment of the EEFM forecasts in the short term, they provide a framework for longer term thinking in terms of job growth, and the two Districts are favourably positioned to capture investment and job growth. If the Bishop's Stortford and Stansted area were to maintain its share of employment growth as forecast by the EEFM this would imply job growth of around 1,340 jobs in the period 2012-16, and of 2,450 jobs over the entire 2012-31 period.

Wessex Economics' view is that the forecast level of job creation in the area in the period to 2016 is reasonably plausible if the national economy recovers to something approaching normality. Over the entire period to 2031 the prospective employment growth looks low if SAL is successful in growing passenger throughput at the airport, and the scale of spin off business this could create for other businesses located in the area.

DTZ's report prepared on behalf of East Hertfordshire Council, *East Hertfordshire Employment Forecasts and Strategic Economic Development Advice*, dated November 2012 makes the judgement that Bishop's Stortford is the town in East Hertfordshire best placed to capture economic and employment growth by virtue of its proximity to Stansted and its strategic connections.

Wessex Economics would agree with this assessment, and this might well mean that East Herts District Council needs to be planning for a larger number of jobs to be created at Bishop's Stortford, if it accepts that it needs to plan for the overall level of jobs generated from the EEFM. This would be because the other towns in East Herts are less well placed to attract and accommodate additional jobs.

5. Overall Vision and Objectives

In developing recommendations regarding what actions EHDC could implement to promote the economic development of Bishop's Stortford, Wessex Economics have given consideration to:

- National Planning Policy regarding planning for employment growth and business space
- Objectives as set out in Local Plans or proposed Plans
- Local expression of objectives for Bishop's Stortford and Stansted

This section sets out briefly the current and emerging policy framework.

National Planning Policy Framework

In developing recommendations to EHDC it is important to bear in mind that this work is being undertaken in the context of the development of a new Local Plan. That Plan will need to take into account in full the new National Planning Policy Framework. The section on Building a Strong Competitive Economy, the section most relevant to this study is reproduced in Figure 3.

Figure 3: Extract from National Planning Policy Framework - Building a Strong Competitive Economy

18. The Government is committed to securing economic growth in order to create jobs and prosperity, building on the country's inherent strengths, and to meeting the twin challenges of global competition and of a low carbon future.
19. The Government is committed to ensuring that the planning system does everything it can to support sustainable economic growth. Planning should operate to encourage and not act as an impediment to sustainable growth. Therefore significant weight should be placed on the need to support economic growth through the planning system.
20. To help achieve economic growth, local planning authorities should plan proactively to meet the development needs of business and support an economy fit for the 21st century.
21. Investment in business should not be over-burdened by the combined requirements of planning policy expectations. Planning policies should recognise and seek to address potential barriers to investment, including a poor environment or any lack of infrastructure, services or housing. In drawing up Local Plans, local planning authorities should:
 - set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth
 - set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;
 - support existing business sectors, taking account of whether they are expanding or contracting and, where possible, identify and plan for new or emerging sectors likely to locate in their area. Policies should be flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances;
 - plan positively for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries;
 - identify priority areas for economic regeneration, infrastructure provision and environmental enhancement; and facilitate flexible working practices such as the integration of residential and commercial uses within the same unit.

22. Planning policies should avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose. Land allocations should be regularly reviewed. Where there is no reasonable prospect of a site being used for the allocated employment use, applications for alternative uses of land or buildings should be treated on their merits having regard to market signals and the relative need for different land uses to support sustainable local communities.

(paras 18-22 NPPF)

Local Plan Objectives

The new East Hertfordshire Local Plan is in preparation and the draft District Plan is to be published later in 2013. This study will help to inform the draft District Plan.

The EHDC Economic Strategy expresses the Council's objectives in terms of a priority to: *'safeguard and enhance our unique mix of rural and urban communities, ensuring sustainable, economic and social opportunities including the continuation of effective development control and other measures'*. And an objective of seeking: *'a well-balanced local economy by the provision of employment land, and encouraging across all sectors economic opportunities, business support and workforce development'*.

The Uttlesford Draft Local Plan contains the following policy objective regarding employment growth: *'to support a local economy which retains and encourages growth of existing and new employers by providing enough land and premises of the right type and in sustainable locations that will meet the anticipated needs and aspirations of businesses. To provide opportunities for employment growth related to the airport.'*

Bishop's Stortford 2020 Vision

In 2009/10 the Bishop's Stortford 2020 Group produced a Vision for Bishop's Stortford, and proposed the following Vision for the town.

- A welcoming town that shows pride in its appearance and where old and new blend in harmony
- A safe, clean, secure place where people are able to be as engaged in their communities as they wish to be
- A place where people choose to live and to work and to educate themselves and their children. A place of choice to shop, eat, take part in sport, and a wide variety of other leisure activities
- A thriving heritage market town that exists within the limits of its size and the limits of its transport infrastructure and overall sustainability.

With respect to employment and the economy the 2020 Vision states: *the Vision is of a town that has built on its vitality and is attractive to potential businesses because it provides the skills and energy where businesses can grow and flourish in a sustainable way.*

The report identified a number of desired outcomes to support a diverse mixed local economy as follows:

- More opportunities for people to come to set up businesses, and space where existing businesses can expand and flourish
- High quality commercial developments of a calibre to attract national names into the town
- A great number and range of employment opportunities for those who wish to work in the town
- A pool of well trained, skilled individuals to support economic advancement.

The Bishop's Stortford 2020 Vision provides valuable context in terms of thinking about what the type of developments providing employment space are required and where they should be located.

Objectives for Employment Land

In view of national and local policy, Wessex Economics believe that appropriate objectives in relation to provision of employment land should be as follows:

- The Local Plans should plan for provision of a quantity of employment land that is consistent with projected development requirements
- There is a need to provide choice within the portfolio of employment land identified to accommodate occupiers with a requirement for development land in different locations
- Even within a single settlement, policy should seek to provide a range of sites suitable for different commercial activities in different sorts of location (eg town centre, edge of centre)
- Accessibility in terms of both road and public transport networks are relevant in the consideration of appropriate sites
- Deliverability is a key issue, so sites should be easily capable of development without the requirement for major infrastructure investment

In the particular context of this study there are two important additional objectives.

- The location of Bishop's Stortford and Stansted on either side of a District and County boundary calls for a co-ordinated approach to planning for employment land provision between East Herts DC and Uttlesford DC
- The requirement for employment land has the potential to vary considerably depending on the growth of passenger and potential cargo traffic at Stansted. There is a need to regularly review the provision of land and its location in relation to requirements stimulated by the airport operations – though these may not be defined as 'airport-related' requirements.

6. Existing Business Space in Bishop's Stortford and Stansted

The Office Market in Bishop's Stortford and Stansted

Offices in the Bishop's Stortford and Stansted area cater mainly for small and medium sized business local to the area. The area is unlikely to attract national or even regional office occupiers with large scale requirements, being located between London - the location for major national occupiers, and Cambridge, now the regional capital of the East of England. The market is therefore essentially local in character.

However the presence of Stansted and the fast rail link to London does mean that the area attracts some national or regional organisations wanting a modest local base, perhaps linked to proximity to Stansted or performing a back office function supporting a London operation. The area therefore probably has a larger office market than many towns with a population of some 38,000.

There was very little growth in the stock of office space between 2003 and 2008. However from 2008 onwards around 4,800 sq m of new office space has been developed in the Bishop's Stortford area (c 960 sq m pa). It is notable that this has occurred in the years since the financial crisis started in 2008. Some of this will have been created through conversion of existing buildings, but the bulk is likely to have been new provision.

The most obvious example of new provision is the 3,150 sq m (33,500 sq ft) Marriott Court development on the edge of Bishop's Stortford town centre.

What appears to be happening is that the economy has been generally prospering (see Appendix 1), enjoying the benefits of proximity to London and to Stansted and perhaps, to some extent, proximity to Cambridge. The existing stock of offices in 2005 was dated and ill-suited to the requirements of modern business. Thus demand has started to manifest itself and new development has come forward in a variety of locations.

Yet there remains a large overhang of office space in the area, particularly Bishop's Stortford, that is dated, and which may fail to find an occupier. This is made up of both older outdated purpose built offices, but also smaller offices in and around the historic heart of Bishop's Stortford, in old buildings and above shops.

Local agents report a number of requirements for well-located office space with car parking which cannot be satisfied at present. It has become increasingly difficult to let older space in Bishop's Stortford unless it is let very cheaply. However, small older stock, especially in the historic core of the town provides an important resource to micro-enterprise, and low rents are important to these businesses

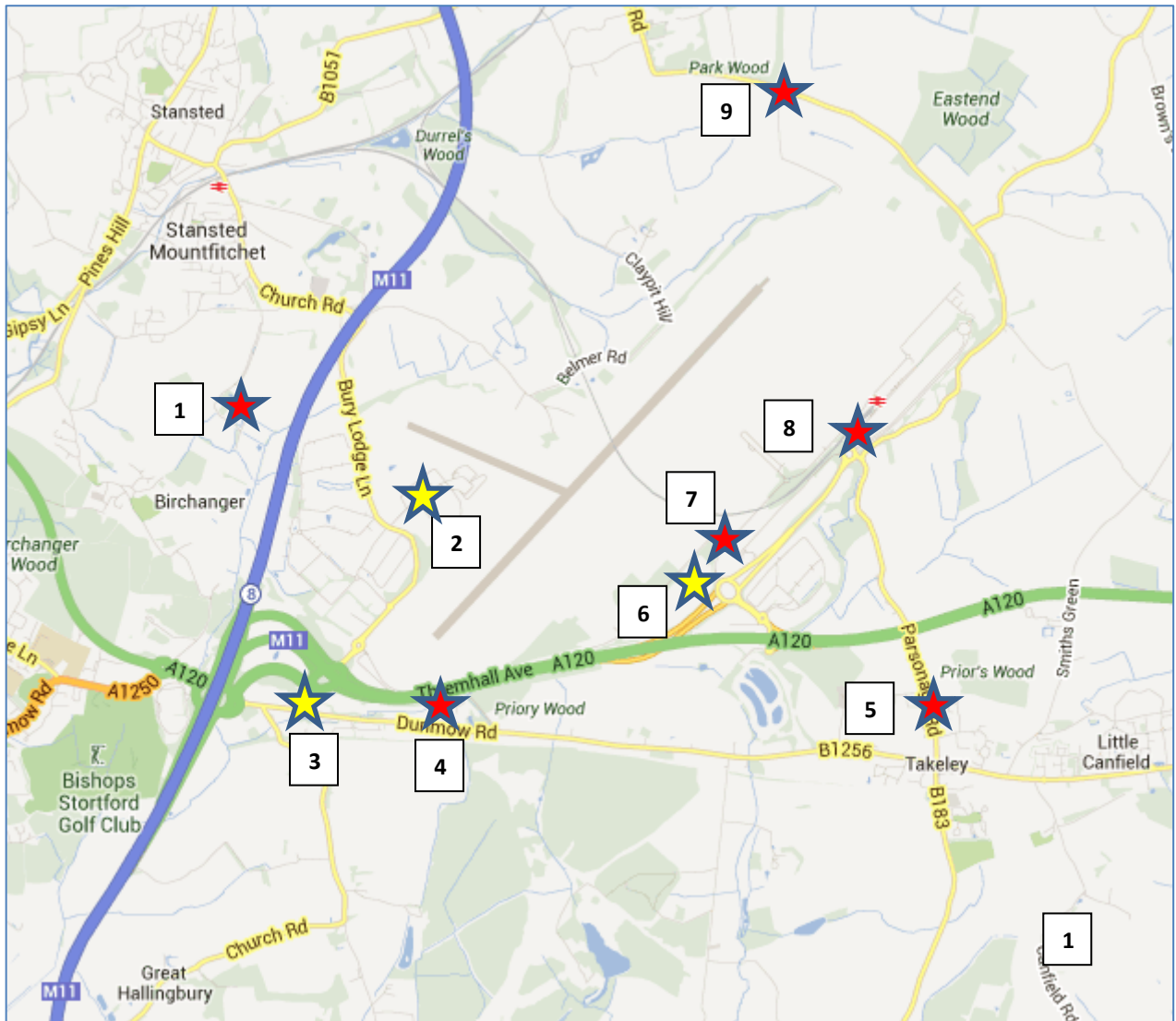
The figures which underpin this assessment is that some 9,800 sq m of office space is vacant (April 2013) in the area, around 12% of the 2008 stock of offices; but on average over the years since 2008, 2,200 sq m of space has been taken up annually, compared to just 820 sq m over the period 2000-2007.

Office space is concentrated in the centre of Bishop's Stortford, but space is also available to airport related users next to the airport. There is also quite extensive provision in rural locations, such as at Thremall Park,

and the M11 Business Link development between Stansted Mountfitchet and Bishop's Stortford (see Figure 4). Planning permission has been granted for 8,360 sq m of high specification offices at Gaunt's End, Elsenham, 5 minutes' drive from the Airport Terminal.

Thus there is quite a dispersed pattern of office provision in the area, with the centre of Bishop's Stortford the main area of concentration. In contrast to many town and cities there is no edge of town office provision.

Figure 4: Significant Concentrations of Business Space outside of Bishop's Stortford



Key: 1. M11 Business Link (all B uses): 2. Stansted Business Park (all B uses): 3 Stansted Distribution Centre/Start Hill (B2 and B8): 4. Thremhall Park (office): 5. Skyway House (office): 6. Stansted Airport (B2 and B8): 7. Endeavour House (office): 8. Enterprise House (office): 9. Gaunts End, Water Circle, Trisail (all B uses)

The Industrial and Warehouse Market

The industrial and warehouse market is not subject to the complexities of the office market in the Bishop's Stortford and Stansted area; and has proved quite resilient over the recent years, partly because of proximity to Stansted Airport, but probably also because of the direct access to the M11 and hence to the national motorway network and because of the demand for distribution space around London.

The stock of available space is more equally divided between Bishop's Stortford and Stansted than offices. There is a substantial stock of vacant floorspace (92,000 sq m), over a quarter of the stock as recorded in 2008. A significant element of this is a large modern warehouse built at Stansted Airport that has never been occupied. Take up since 2008 has averaged around 6,100 sq m a year, higher than in the period 2001-07.

Rents have generally held firm for industrial and warehouse floorspace over the past 5 years, and agents report that improvements in lease terms and reduction in incentive packages in recent months, indicating a strengthening market. Over the period since 2001 around at least 12,230 sq m of new floorspace B2 and B8 space has been built, around 1,000 sq m pa.

Policy Implications

The Industrial and Warehouse market is less complex than the office market in Bishop's Stortford. The market for well-located space seems to be robust. Given proximity to Stansted and location on the national motorway network there is likely to be on-going demand for space well located in relation to Junction 8.

It is the older industrial estates on the south of the town centre that may struggle to find occupiers, though at present they remain well occupied for the most part. Over time it may be appropriate to permit redevelopment of some of these sites for other uses, but any losses of employment land should be made good by replacement provision.

The key policy requirement is to ensure that land is available for supply of new industrial and warehousing space, and replacement space for any sites lost to other uses in Bishop's Stortford. It is important that such land is well located for access to the M11 and to Stansted. Land suitable for such development is more readily available on the eastern side of the M11, and Uttlesford District Council has plans to provide additional land for such purposes.

There is also significant amount of land allocated for airport-related uses at Stansted airport. Occupiers that meet the criteria for being airport related, are likely to favour such a location; this will relieve pressures on other sites which are available for non-airport related activities. If there is pressure on available sites, there may be merit in a review being undertaken to consider the adoption of looser criteria on what are 'airport related' businesses.

With respect to office provision, the evidence indicates the need for some restructuring in the market, to reduce the stock of larger older office premises in Bishop's Stortford, particularly that which is no longer functional for medium sized occupiers; and the re-provision of such space to meet the on-going requirements for space of medium size businesses. To provide choice, it would be appropriate to plan for re-provision of such space in Bishop's Stortford town centre and on the northern edge of Bishop's Stortford.

7. New Business Space Development – Existing and Identified Sites

This section starts to identify locations for development of new business space (B1, B2 and B8). The current planning position is that no land is allocated for B1, B2 and B8 development in Bishop's Stortford, though Development Briefs covering key parts of the Town Centre identify proposals for employment space to be developed as part of larger schemes for comprehensive regeneration.

This section focuses on the potential for commercial development of B1, B2 and B8 space in Bishop's Stortford Town Centre, existing industrial estates in the town, and in Uttlesford District. This analysis provides the context for a more detailed assessment of potential sites for B1, B2 and B8 development in Bishop's Stortford itself, and in particular locations on the edge of Bishop's Stortford.

The Town Centre

Bishop's Stortford town centre in many ways is a preferred location in planning terms for new offices space (B1a) on the grounds that:

- The town centre provides the only substantive concentration of office space and occupiers in Bishop's Stortford
- Retaining and increasing employment levels in the town centre will reinforce the retail and leisure functions of the town centre
- There are currently vacant and underused sites at the heart of the town centre which call out for development which would enhance the character and quality of the town centre
- The town centre is the focus of public transport networks (bus and rail) and therefore the opportunity exists for people to travel to work by some means other than the car
- A number of occupiers specifically want to be located in the town centre because access to amenities, shops etc, proximity to the station, or because it is convenient for clients

The limitations of the town centre are:

- It is not a suitable location for industrial or warehousing or many sui generis occupiers that would generate significant goods vehicle movements
- Compared to other potential employment sites, it suffers from poor access to the M11, particularly at busy times of day
- If staff and customers are wedded to using a car, then the time taken to access the town centre and the cost and availability of car parking is a deterrent to occupiers
- If occupiers' staff and clients do not regard public transport as an alternative to the car then development of offices in the town centre adds to congestion in the town centre and on the main access roads.

The recent development of Marriott Court, which is located on the edge of Bishop's Stortford town centre provides evidence of demand for new town centre offices. There is little doubt that had a similar type of development, with the same parking provision, been available closer to the railway station this would have

been regarded even more favourably than the scheme's actual location. Even with an edge of town centre location space has been taken up in the new development by the Tees legal practice who have vacated older offices in the town centre.

The main opportunity site for development of new office space in Bishop's Stortford town centre is the **Goods Yard** site. Provision of employment space is part of the most recent development brief for the site. Wessex Economics believes this to be entirely appropriate and that EHDC should ensure that provision for office floorspace is part of any plans that receive approval.

The main requirement currently identified is for flexible modern office space to meet requirements of occupiers for between 5,000 and 20,000 sq ft (occupiers employing between 50 and 200 people). A central location, ideally close to the station and the town centre's shops and restaurants, with dedicated parking is required. Many occupiers still prefer to be in premises in single use; that is, a dedicated office block, rather than in offices located above retail units.

The Henderson mixed use scheme at the **Old River Lane** will add to the employment base of the town centre, but it does not include any office space. The proposals the scheme includes a new 30,000 sq. ft department store; an extension to the existing Waitrose store; approximately 35 shops, of which 10 are smaller units designed for independent traders; two restaurants; a digital cinema, circa 670 parking spaces and up to 100 residential units. Outline planning consent has been granted by EHDC.

In the medium to longer term the **Mill Site** may come forward for redevelopment. A development brief has been prepared for the site. This identifies the site as suited to river-related uses, which could include 'leisure, civic, employment and residential units of different sizes including some workplace units'¹². More specifically the development brief indicates that if the Flour Mill site comes forward for development, then this would be suited to office development given its proximity to the railway station and the bus station.

There are other purpose built offices in or close to the town centre that may become functionally redundant over time. There should be a presumption that such office space should be redeveloped for office space, rather than lost to residential use. A more flexible policy might be adopted with respect to other office space in converted buildings, though it will be important to retain a core of small office and other workspaces in the town centre to support micro and small businesses.

Existing Employment Areas

As noted in Section 6 there are a number of established industrial areas in Bishop's Stortford. EHDC have recently updated the analysis contained in the 2008 Employment Land Review of how well these areas are functioning. The great majority of the industrial areas in Bishop's Stortford are identified as functioning well, with good levels of occupancy and as being reasonably well located.

¹² Bishop's Stortford Mill Site, Site Development Brief, December 2010, EHDC

The only existing employment sites where improvements are needed are as follows:

- The Millside Industrial Estate, which is deemed to have a poor quality buildings and having issues in terms of location (to the south of the town centre on a predominantly residential street). However the estate is reported to be popular and has no vacant units, and the update recommends that it remains in employment use.
- The Twyford Industrial Estate, which is located to the south of Bishop's Stortford Town Centre. Access is constrained and the quality of the stock is not deemed to be high. The 2012 EHDC study suggests that the industrial estate could be released for development if alternative provision is made elsewhere in the town.

The Council's own assessment of existing employment sites is that all existing sites in Bishop's Stortford should be retained in employment use, with one exception, Twyford Industrial Estate, and that should only be released for alternative development if employment space is re-provided elsewhere in the town. Under existing planning policies there is no alternative identified.

Thus in terms of employment sites outside the town centre, the major sites are all identified for retention, with occupancy evidence, and redevelopment of some estates, showing that all this space is required. The issue is whether the existing provision is adequate to meet future requirements.

Proposed Employment Land Allocations in Uttlesford District

In order to answer the question of what requirement there is to allocated land for employment purposes in Bishop's Stortford, and for what type of employment uses, it is important to examine the scale and type of employment land provision in the Stansted area, which falls into Uttlesford District.

As noted in Section 7 there is a substantial provision of employment space in that part of Uttlesford District that surrounds Stansted Airport and which is functionally part of same labour and local property market as Bishops Stortford.

Uttlesford District Council have set out in their Consultation Draft Local Plan proposals for allocations of employment land in the environs of Stansted Airport. The most important proposals being made by UDC related to land at Stansted Airport designated under the existing Local Plan for airport-related uses.

UDC propose in their Consultation Draft Local Plan that an 18 ha site to north of Stansted runway, where development was previously restricted to airport related employment, will no longer be restricted in this way. UDC anticipate that this site can accommodate at least 37,000 sq m of non-strategic warehousing and 19,000 sq m of offices. (see Figure 4, Stansted Business Park)

With respect to the land designated for airport-related development to the south of the runway 9 (c32 ha), UDC propose that the existing restrictions on development to activity that is clearly airport-related is retained. There is no assessment of the extent to which there is a requirement for airport-related development and hence the extent to which this land might be developed in a particular timescale.

In addition to policies for Stansted Airport, UDC are proposing allocations of employment land close to the Airport and to Bishop's Stortford (see Figure 4) as follows:

- **Start Hill:** Allocation of 2.2 ha of land to the south of the B1256 for business, industry and/or warehousing and/similar 'sui generis' use. Given the character of the adjacent Stansted Distribution Centre, it seems probable that this site will be developed mainly for B8 and possibly B2 uses.
- **Elsenham:** Allocation of 19 ha of land for B1a floorspace at the site at Gaunts End, which has existing business space and planning permission for 8,630 sqm (90,000 sq ft) of high specification offices. The site is located outside the existing settlement but just 5 minutes from the Stansted Terminal building.
- **Great Dunmow:** A 3 ha site allocated for employment uses comprising industry and/or warehousing and/or similar 'sui generis' uses, that is to be delivered in conjunction with a 300 home residential development.

Overall Assessment of Existing and Planned Provision of Employment Floorspace

Given the existing distribution of employment floorspace and identified development opportunities what gaps are there in the planned provision of office, industrial or warehousing space to meet future demands? Wessex Economics would summarise the position as follows separately for the office market and the industrial and warehousing market.

There is a large stock of office space in Bishop's Stortford town centre, though the stock of good quality stock is limited. However, there are the opportunities to develop modern office floorspace on the Goods Yard site, as part of a mixed use development; to encourage the redevelopment of existing outdated office space for new space; and, in the longer term, to seek provision of new office floorspace as part of redevelopment proposals for the Mill site.

In Stansted new office space for general occupiers has been provided at number of locations in relatively isolated locations, but a short drive away from the airport; at the M11 Business Link development, south of Stansted Mountfitchet; at Thremall Park at Start Hill; and at Gaunt's End, between Elsenham Village and the Terminal Building.

For airport related businesses there is office accommodation within existing buildings at Stansted Airport or potential for developing new space within the extensive allocations of land for airport related activities on the south side of the airport. If UDC adopt their proposed policies for the Stansted Business Park site on the north side of the runway there is capacity on this site to accommodate a significant volume of offices.

There is therefore a wide variety of locations for office and other B1 development. The one clear gap in provision in terms of choice of locations is an edge of town location to the west of the M11; essentially a location on the Bishop's Stortford ring road. This would offer choice to occupiers who wish to be located in Bishop's Stortford, but do not wish to be located in the town centre.

In terms of industrial and warehouse uses, there are major opportunities, if proposals contained in the Consultation Draft of the Uttlesford Local Plan become policy, for new provision to the east of the M11. There are proposed allocations of land at Start Hill (2.2 ha), Great Dunmow (3 ha) and at Stansted Business Park (18

ha and at least 37,000 sq m) on the north side of the runway; plus provision for any airport-related industrial or warehouse use on land to the south of the runway at Stansted Airport. The proposed allocation at Gaunt Hill, represents further opportunity for development of employment floorspace.

The existing infrastructure to the east of the M11, particularly in the immediate environs of the airport, are better able to handle increased industrial and warehousing activity. Wessex Economics also believe that the Stansted Business Park may well be better able to attract industrial and warehousing activity which is well represented among existing businesses on the site, than office activities. However Wessex Economics would also note that the road that connects the Business Park to the southwards M11 slip road is quite modest, and might require investment as occupation at the Business Park increases.

Wessex Economics take the view that the substantial planned provision of industrial and warehousing land to the east of the M11, when combined with the existing stock on the west of the M11 in Bishop's Stortford's existing industrial estates should meet future requirements and provide choice. This is particularly the case if there is on-going renewal of the stock in Bishop's Stortford and improvements to access arrangements of existing industrial estates.

In terms of planning for employment space in Bishop's Stortford itself, the conclusion is that the pressing requirement in terms of providing choice and flexibility of office and commercial space in the town is to identify edge of town sites that could accommodate B1 users. Generally employment growth is likely to be associated with employers requiring B1 space, and at present choice in the area is limited to the town centre and to rural locations.

8. New Business Space Development in Bishop's Stortford

The key requirement in planning for economic growth in Bishop's Stortford is to reinforce the town centre, and to identify opportunities for B1 development on the edge of the town. The preparation of a detailed strategy for the town centre is not part of this assignment; but the identifications of options and preparation of recommendations for employment land provision outside the town centre is part of the study. This section identifies and assesses potential options for provision of edge of town employment sites, with a focus on B1 sites.

In identifying opportunity areas for employment land allocations in Bishop's Stortford, this study has limited the area of consideration to areas within the A120/A1184 ring road. Wessex Economics take the view that it would only be appropriate to consider sites outside the ring road if there are not suitable sites on sufficient scale to accommodate requirements within the ring road, given the de facto boundary the ring road represents to the current urban expansion of the town.

Current and Anticipated Requirements

As noted in previous sections, discussions with local commercial agents indicate that a number of Bishop's Stortford based employers and some from outside who wish to locate in the town, have requirements for between 10,000 and 20,000 sq ft of space, and would consider an edge of town location with good accessibility, good parking and visibility.

This would indicate that in terms of current requirements the preference of current occupiers would be for business park style accommodation located on, and with access onto, the A120. Provision of a business park (or business parks) in such a location would be highly visible and could provide a buffer against noise from the A120 for residential development on the town side of the business park.

It is envisaged that any business park development would provide predominantly for B1a (office) accommodation, since the evidence is that this will form the build of requirements. However B1b uses - research and development of products or processes and Use B1c uses - any industrial which can be carried out in any residential area without causing detriment to the amenity of the area, should also be allowable on these sites.

The Character of New Development

Before discussing potential locations for development of employment floorspace it is important to consider the type of development. Development of business space on the edge of Bishop's Stortford could, theoretically, be delivered in a number of different ways, as follows.

- A single large employment allocation for a business park (B1) and other high specification uses, or the development of a number of smaller allocations over a period of time
- The development of employment space at the heart of new residential communities as part of mixed use local centres, or the development of distinct stand-alone business developments.

The Consortium have put forward proposals that 20,000 sq m of employment floorspace should be developed as part of the Bishop's Stortford North proposals, with this space concentrated in two local centres in the new, predominantly residential development.

Wessex Economics has concerns about this proposed pattern of development. We appreciate the logic of seeking to create mixed use local centres in residential areas, where the presence of local employers help to sustain a wider range of shops and facilities than would be supported just by the residential population. But in a relatively small town such as Bishop's Stortford we believe that if an employer wants to be located in a lively vibrant centre with a range of facilities, they will chose to be in the town centre.

But at the same time there are employers who want modern premises with easy access to the M11, with good parking, and will prioritise this over access to local facilities. These occupiers would prefer to locate on the ring road, in a visible location, in modern freestanding offices with good parking. Local centres will not provide this, with the format for development probably being offices about shops, and less than direct access onto the ring road.

There are a number of other reasons why Wessex Economics favours the 'business park' approach to provision of employment space in Bishop's Stortford:

- There is no such provision at present in Bishop's Stortford, yet such provision continues to appeal to occupiers around the country
- We are concerned that occupiers will be deterred from taking up occupation in new local centres quickly because of the scale of on-going construction work
- We are concerned that occupiers will be deterred from taking up occupation in new local centres because customers and clients would have to travel through the residential into a 'local' area
- If successful in attracting occupiers to the business space this would generate significant additional vehicle movements into and out of essentially residential areas
- Local centres would only take off once a significant number of new homes have been built, so the provision of any capacity for employment development would be delayed
- If demand failed to materialise for the form of space provided in local centres there would be pressure to convert space above retail outlets into flats – so the planned employment space would never materialise
- The provision of any additional junction onto the A120 will be expensive; if this can be avoided by locating employment space elsewhere it will enhance the overall viability of the residential scheme
- With respect to the Consortium's proposals we are concerned that the majority of the employment space might be planned for the second, more easterly local centre, and understand that this would only be delivered in the later phases of development.

With respect to the issue of whether a single, large employment allocation be made, Wessex Economics are doubtful that this could be delivered in Bishop's Stortford, and that the prospects of delivery are enhanced by seeking to secure the development of a number of smaller sites over a longer period of time. This would better reflect the relatively modest scale business space requirement year by year, increase choice, and reduce the risk that any one development may be delayed.

In the current market it is also the case that development for business purposes cannot easily be financed. Outside of London there is for all intents and purposes no speculative development. The best way to promote development is therefore to bring forward serviced sites which are development ready and which will appeal to a range of compatible users; and for the development sector to build to demand. It is very unlikely that a large scale development proposal which required significant upfront infrastructure funding would proceed in the current environment.

While there is a need for provision of employment sites in Bishop's Stortford, residential development land commands a significantly higher value than land for employment purposes. The best way to ensure that serviced sites are actually brought forward for employment uses, is to link these to residential developments, by means of a requirement for development of a mix of uses. Such a strategy works best with seeking a number of smaller, different and complementary employment land developments rather than a single large allocation. These would be likely to come forward at different points in time and hence could be adapted to reflect market requirements at that particular point in time.

Wessex Economics recommend that EHDC look to identify a number of locations for new edge of town employment locations predominantly for B1 uses that could be brought forward over the plan period. Many of these may be brought forward as part of larger mixed use developments.

Potential Development Locations

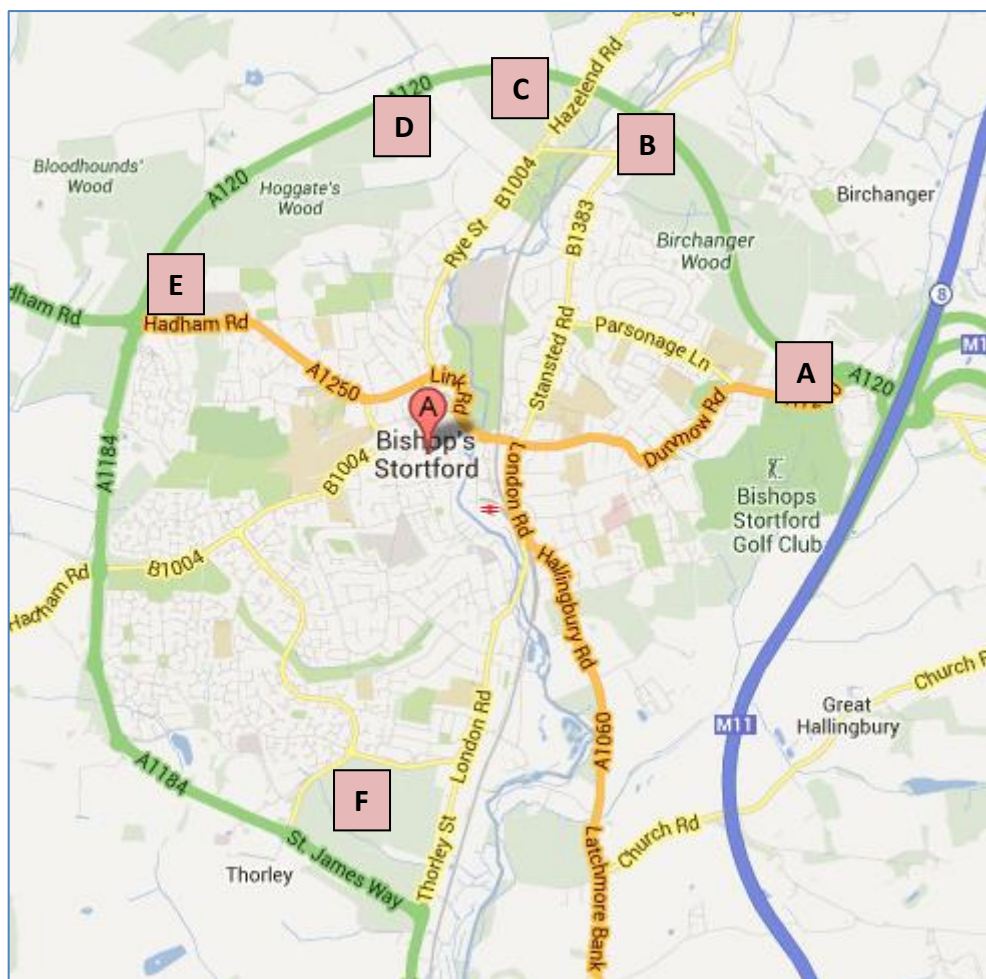
There are six potential locations for a business park style development. These are listed below starting on the east at Junction 8 on the M11 then going around the ring road from east to west to south. There are also shown in Figure 5.

- Location A: The Bishop's Stortford Football Club site adjacent to the Woodside Industrial Estate and Birchanger Green Motorway Services almost adjacent to Junction 8 of the M11
- Location B: The Birchanger site being the fields enclosed by the A120, and bounded by Birchanger Wood to the south and the Stansted Road (B1383) to the west, behind and adjacent to Goodliffe Park Industrial Estate
- Location C: The Mountbatten Site being the triangular site enclosed by the A120 and enclosed by Hazeldene Road and Farnham Lane
- Location D: The Foxdells Farm Site located on the A120 to the north of Bishop's Stortford, to the west of the valley formed by the Bourne Brook, roughly to the NNW of Foxdells Farm
- Location E: Hadham Road Site located at the north eastern corner of the A120/A184/A1250 junction on the west of Bishop's Stortford, to the north of the Tesco superstore (with lies on the south eastern corner)
- Location F: South Stortford, being the site bounded by St James Way, Whittingham Way and Thorley Street, and the last major undeveloped site not in the floodplain on the south side of the town.

Each of these sites is assessed in turn in terms of attractiveness as a location for a business park suitable for a range of B1 uses. The sites are assessed on the following criteria:

- Access to the M11 Junction 8
- Access to the Town Centre
- Ease and cost of site access
- Visibility
- Market Appeal
- Deliverability

Figure 5: Potential Business Park Locations



Location A: Bishops Stortford Football Club

The Bishop's Stortford Football Club is located on the eastern extremity of Bishop's Stortford on a site bounded by the A120 and the A1250 Dunmow Road. The site is accessed off the Dunmow Road and it is reasonable to expect that if the site were developed for B1 space then access would continue to be provided from the Dunmow Road.

For all practical purposes the site is located at the M11 Junction 8, so access to the motorway is excellent, subject to congestion on the roundabout of the A120 and A1250 and the motorway junction itself. A B1 office development could achieve high visibility. Access to the town centre would be via the Dunmow Road, or

alternatively the A120 and the Stansted Road. At peak times access can be slow by these routes, but is good outside of peak times.

The location is clearly suited to a motorway junction business park, but some occupiers while wanting an edge of town location, may favour a less trafficked environment. Potential office developments on the eastern side of the Junction 8 would represent competition since these sites would provide similar levels of direct access to the motorway.

The site is likely to appeal to those occupiers for whom immediate access to the motorway is the most important criterion for their location; as distinct from occupiers that have a general requirement to have easy access to the motorway, but for whom this is only one of a number of locational criteria. The specification of the building on this gateway site into Bishop's Stortford could be important in attracting an occupier.

The deliverability of development on this site is uncertain. The site is currently within Green Belt, though Wessex Economics' assessment is that the site is already developed in any normal sense of the term; and an island site between two very busy roads does not contribute significantly to Green Belt objectives. However the site would have to be removed from Green Belt before any development proposals could be taken forward.

The Football Club is also a valued local facility. It would therefore need to be relocated, and therefore a suitable site would need to be identified. Identifying an appropriate site, and securing support for relocation from the supporter base could be time-consuming.

Location B: The Birchanger Site

This site has two options in terms of site access: access from the Stansted Road adjacent to the Goodliffe Park Industrial Estate or access off the A120 or some combination of the two options. The site could be accessed from the A120 by traffic from the east by means of a slip road into the site. Delivering a route onto the A120 for eastbound traffic would be more complex and expensive.

In clear driving conditions this site has good access to the M11 (3 minutes), but if access is via the Stansted Road the need to cross the A210/B1383 Stansted Road roundabout is likely to result in delays at peak hours compared to sites that access the A210 to the east of this roundabout. If a direct access to the A120 is deliverable then the drive time to the M11 would be more consistently 3 minutes.

Access to the town centre would be by the B1383 Stansted Road or B1004 Rye Street. Public transport access would be good, and there might be the possibility of delivering a Park and Ride scheme at the site, which would ensure good quality bus links between the site and the town centre; though there may be limited scope for bus priority lanes, and hence journey times by bus into central Bishop's Stortford might not be faster than driving.

The site would have very high visibility if located fronting the main A120/Stansted Road roundabout. If the site were developed for a combination of business and residential uses, then the business space could provide a noise buffer from the A120 and the Stansted Road.

The most significant challenge in this site coming forward for development is that the site is in Uttlesford District, though it is functionally part of Bishop's Stortford, and the site is not allocated for development in the emerging Uttlesford Local Plan. It is understood that a housebuilder has an option on the site for residential development. In all probability a mixed use development would enhance the prospects of employment land on the site coming forward.

Location C: The Mountbatten Site

In clear driving conditions this site has good access to the M11 (4 minutes), but the need to cross the A210/B1383 Stansted Road roundabout is likely to result in delays at peak hours compared to sites that access the A210 to the east of this roundabout. Access to the town centre would either be via the A120 and then by Rye Street or Stansted Road; or depending on the configuration of the developer's residential development proposals, through the development to Rye Street.

Providing access to a business park at this location off the A120 would be challenging and probably expensive. There is short stretch of the A120, just west of Hazelend Road, that is at the same level as the site, where an at-level junction might be delivered. However the Highways Authority might object to a new junction on the A120, and the cost would certainly be significant, bringing deliverability into question.

Visibility would be achieved if the business park was located just to the west of Hazelend Road where it is crossed by the A120. The site would probably work for occupiers looking for a business park environment with good access to the M11, though the absence of easy direct access to the town centre would be a disadvantage.

The site is under the control of Countryside Properties, who are planning to bring forward proposals for residential development on the site. This enhances the prospect of delivery. The scale of development is more modest than the proposals submitted by the Consortium, which makes it less easy to deliver significant road improvements that would be needed to accommodate a business park.

Location D: The Foxdells Farm Site

In clear driving conditions this site has good access to the M11 (4 minutes), but the need to cross the A210/B1383 Stansted Road roundabout is likely to result in delays at peak hours compared to sites that access the A210 to the east of this roundabout. Access to the town centre would either be via the A120 and then by the Hadham Road, Rye Street or Stansted Road; or, depending on the configuration of the Consortium's proposals, through the residential development. Access to the town centre is therefore less than ideal.

Providing access to a business park at this location off the A120 would be challenging and probably expensive, but Hertfordshire County Council have indicated in principle that a junction on the A120 in this location would be acceptable. At this point the A120 is gaining height, but in cutting as the road rises out of the valley of the Bourne Brook.

The cost of providing a junction onto the A120 would be considerable and increased by the requirement to deal with the different ground levels. Visibility would be achieved. The site would probably work for occupiers looking for a business park environment in the absence of alternatives, but the absence of easy direct access to the town centre would be a disadvantage.

The site is under the control of the Consortium, which enhances the prospect of delivery. However the Consortium proposes phasing development from west to east, so if the business park was fitted into these phasing proposals, it would not come forward until later in the development programme. Given the high cost of providing a junction onto the A120, the developers are likely to want to delay providing the junction until it becomes essential for development to proceed.

Location E: Hadham Road

In clear driving conditions this site has good access to the M11 (6 minutes), but the need to cross the A210/B1383 Stansted Road roundabout is likely to result in delays at peak hours compared to sites that access the A210 to the east of this roundabout. Access to the town centre is by the A1250 Hadham Road, which provides better access to the town than most of the B roads into the town. It is worth noting that the Consortium's plans envisage a park and ride site at this location, so public transport accessibility should be good.

In principle access to the site should be easy to deliver from the A1250, particular if the access is also used as one the main access points (as is proposed) for the Bishop's Stortford North residential development. No access is required directly from the A120. Visibility would be easy to achieve and the development could provide a noise buffer to adjacent residential development. The site would appeal to occupiers looking for a business park environment on the edge of Bishop's Stortford with good access to the M11 and reasonable access to the town centre.

Given that the site forms part of the Consortium's development proposals, access to the site could be shared with residential development, and would be provided off the A1250. The site is deemed to score well on deliverability and could potentially be implemented in the near term, given that the phasing plan for development envisages starting the development on the western part of the site, and moving to the eastern part of the site later in the development programme.

Location F: South Stortford

The South Stortford site is around 16 minutes from the M11 junction 8 by the ring road. Technically the journey time is less (12 minutes) though the town centre, but this is likely to be less reliable. The distance from the motorway means that this location is likely to be the least attractive location for most B1 users, and would find it difficult to secure B1 occupiers if any of the other sites came forward, and even if they did not, would probably find it difficult to compete with sites and premises located on the east of the M11.

However part of the site may have a valuable role to play in meeting some of Bishop's Stortford's requirement for employment land. The site could accommodate some of the demand for employment or sui generis properties that arise from a fairly local market – for example business that serves a market based on Bishop's

Stortford and Harlow. It might be a suitable location if the decision is made to permit change of use of some of the industrial estates to the south the town centre.

9. Conclusions and Recommendations

This final section of this report draws together the key conclusions of this study and sets out a series of recommendations that will guide the economic development of Bishop's Stortford over the next 15 to 20 years.

Key Conclusions

The economy of Bishop's Stortford and Stansted is prosperous. Economic activity rates and employment rates are high. Despite employment falling over the last three years, employment in Bishop's Stortford has recovered well.

The key drivers of growth are Stansted Airport, an excellent rail service into central London where many residents work, and good road links via the M11 to London, the M25 northern sub-region, Cambridge. Bishop's Stortford is well positioned in relation to the UK's most dynamic economies.

Moreover the town is still relatively small (population 38,000) and retains its charm as a market town. The quality of life is an important economic asset and the town has a skilled population. A high proportion of residents have high level skills, and are well paid, though many work outside the area.

The economic challenges of the area are two-fold. First, there is the challenge of accommodating the inherent potential of the area for economic growth, without sacrificing the quality of life of residents. This means ensuring investment is secured in the infrastructure necessary to support growth.

A second challenge is that the employment base of the area is likely to grow – particularly so if Stansted Airport Ltd achieve their objective of increasing passenger numbers by 5 million. With levels of employment in the area already at high level, there is little surplus labour available locally.

The likelihood is that the Airport will need to employ more people from outside the area. There will be a need to plan how these people can get to work without an adverse impact on existing transport infrastructure.

Employment in the area will also grow as businesses take advantage of Bishop's Stortford's natural advantages – good strategic accessibility, the growth of the airport, ease of access to London and the M25, a skilled resident population.

As a result there is a need to plan for the provision of employment land in the right locations to allow the provision of modern business space for employers. This study has been commissioned primarily to provide EHDC with guidance on what employment space is needed where over the next 15 to 20 years.

Current employment forecasts would indicate that EHDC (and Uttlesford DC) need to plan for at least around 2,500 additional jobs over the period 2012-31. If passenger numbers at Stansted grow significantly this figure could be much higher.

Much additional employment will be associated with growth in the retail and leisure sector, in health and educational provision. In the Bishop's Stortford and Stansted area this is likely in particular to reinforce the existing role of Bishop's Stortford town centre as a major centre of employment and services.

The other major source of employment growth (other than that associated directly with the airport) is likely to be business and financial services. This will increase the requirement for B1 floorspace. The major focus of this study has been to advise on how best EHDC can plan for such provision.

The largest concentration of office floorspace in the Bishop's Stortford and Stansted area is in Bishop's Stortford itself. However there has been relatively little development of new office floorspace in the town centre in recent years, and a significant part of the stock is not suited to modern business requirements.

There is evidence that there is a demand for modern office floorspace both in Bishop's Stortford town centre, but there is also likely to be interest in office and B1b and B1c (R&D and light industrial) space in edge of town locations.

Existing industrial estates in Bishop's Stortford provide adequately for the requirements of business for industrial (B2) and warehousing space (B8). Emerging proposals by Uttlesford District Council will significantly increase the supply of land for such uses on the east side of the M11.

Given that much of the requirement for warehousing and industrial space may be linked in some way to businesses that service the airport (while not meeting UDC's strict criteria of being airport-related businesses), it is appropriate to expand provision to the east of the M11 rather than to the west.

Recommendations

Bishop's Stortford Town Centre

EHDC should be proactive in seeking to promote the development of new office space in Bishop's Stortford town centre, and the redevelopment and re-provision of outdated office accommodation in acceptable locations.

It is particularly important to ensure that the plans for the development of the Goods Yard site have a significant element of office (B1a) floorspace, and this is not squeezed out by higher value residential, retail or leisure uses.

Development proposals for the Mill Site are likely to come forward in the medium to long term. As with the Goods Yard site, EHDC should seek to encourage redevelopment for a mix of uses including office B1a space.

As a rough guide EHDC should seek to ensure that the stock of office floorspace in the town centre is maintained at least at current levels. But over time older stock should be replaced with newly built or

refurbished space.

This approach will allow some conversion of existing office accommodation to other uses. The focus should be on replacement of larger older offices which are no longer fit for purpose, or not centrally located, rather than loss of small cheap offices and workspace that is valuable in accommodating small businesses.

The range of small offices in the town centre let on relatively cheap rents provides valuable incubator space for small business. Policies to protect such space from conversion to higher value uses (eg residential) should be developed.

Such policies may define the central area of the town where such change of use will be actively discouraged. There would be merit in seeking to bring such space under common management, perhaps through a Development Trust or Community Interest Workspace Company (see Future Business, Cambridge).

Edge of Town Employment Land Allocations

EHDC should identify a range of edge of town sites that could accommodate B1 uses over the next 20 years. These sites would not come forward at the same pace, and EHDC would need to work with landowners and other parties to bring them forward.

In order to meet currently identified requirements (years 0 to 5) for a choice of employment sites EHDC should seek to incorporate proposals for employment (B1 development) at Hadham Road (Site E) as part of the Bishop's Stortford North proposals of around 3 to 4 hectares.

Such provision would be instead of the proposed development of 20,000 sq m of employment floorspace as part of the Local Centres as set out in the indicative masterplan for the Bishop's Stortford North development.

In order to meet medium term (Years 5-15) requirements for B1 space, EHDC should engage with Bishop's Stortford Football Club and the owners of the site on which the Club is located to identify relocation options; with a view to removing the site from greenbelt and designation as an employment site.

With respect to longer term requirements (15+ years) EHDC should make representations to Uttlesford District Council that the Birchanger site should be identified for mixed employment (B1) and residential development in the longer run.

For each of these sites it would be necessary to undertake further work, particularly around highways and access to check that they would be deliverable. However for each there is, in principle, an access solution that does not depend on providing a junction on the A120.

EHDC as part of the preparation of the new Local Plan should reserve a site on the South Stortford site for employment land development. This might be used to compensate for loss of employment land if it is deemed that some of the industrial units south of the town centre are functionally redundant.

Alternatively the site might be required for relocation of Bishop's Stortford Football Club, or for development

of employment floorspace to meet local business requirements and sui generis uses that are not suited to the town centre.

Other Recommendations

Within Bishop's Stortford, EHDC should foster the renewal of existing industrial estates and work to improve access to these estates. The most significant action required is to improve the highways access to the estates accessed by means of Raynham Road.

EHDC should endorse the proposals by UDC to remove the restriction placed on development for non-airport uses on the 15 ha site on the north side the Stansted Airport runway, and for the employment land allocation at Start Hill and Hadlow.

If there is evidence over time of the need for provision of additional land for warehousing and industrial space, EHDC should support a review of the restriction of development on land to the south of Stansted Airport to airport related uses.

Given that Bishop's Stortford and Stansted are functionally so closely related, Wessex Economics recommends that EHDC and UDC work together closely as they develop their Local Plans. They need to do so to demonstrate that they have fulfilled their duty to co-operate.

In terms of economic development actions, Wessex Economics believe the key task of the authority is to plan strategically for the anticipated growth of the area and ensure that the appropriate infrastructure to deliver growth is put in place in a timely manner.

The Bishop's Stortford and Stansted area does not need to be proactively marketed to secure the prosperity of the area. The participation of the Council in the London Stansted Corridor Consortium is a useful way to maintain the profile of the area, and to link with areas of greater labour surplus.

The growth of the Bishop's Stortford and Stansted area will be led and delivered by the private sector. The area has sufficient economic vigour that the private sector can be expected to lead this, with the local authorities (district and county) ensuring that development is able to take place in appropriate locations.

However EHDC and Bishop's Stortford Town Council do have a particular role to play in co-ordinating and supporting activity and investment in the town centre in terms of events, consultation on planned development, and ensuring that the key attributes that make the town centre a vibrant and attractive centre are sustained.

Appendix 1: The Bishop's Stortford Economy

About this Appendix

This Appendix presents an economic profile of the economy of Bishop's Stortford and Stansted and the characteristics of the working population of the area. The working paper presents information on key employment sectors; working age population economic activity and employment; unemployment and the occupations in which local residents are employed and their qualifications.

The Study Area

The area for which data has been presented is the town of Bishop's Stortford, with data analysed for the five wards¹ that together cover the whole of the built area of the town; and four wards in Uttlesford District which include Stansted Airport and related activities on the south and north side of the airport and the settlements of Stansted Mountfitchet and Takeley². (see Figure 1 in the main report for a map of the study area.

The reason for extending the study area into Uttlesford is simple. Stansted Airport is without question Bishop's Stortford's largest employer. In 2011 some 10,230 people worked at Stansted Airport, and around 2,500 of those live in East Hertfordshire. It is not known how many live in the town of Bishop's Stortford itself, but it would not be surprising if more than 1,000 residents of the town work at the Airport.

Stansted Airport is also an important driver of the local economy. Many businesses in Bishop's Stortford do business with the airport or with businesses associated with the airport. Much of the demand for commercial space, offices, warehouses and industrial units in the town are occupied by businesses that have links with the airport.

It would clearly make no sense to prepare an economic strategy just for Bishop's Stortford without considering what is happening at Stansted; nor to consider the market for employment space and the need for employment land in Bishop's Stortford without considering the market and available and planned provision for business space in the neighbouring parts of Uttlesford District.

Both East Hertfordshire and Uttlesford District are in the process of preparing Local Plans. The National Planning Policy Framework places upon both local authorities a 'duty to co-operate' in preparing their statutory development plans; and this study will contribute to the evidence base that needs to be considered in the process of preparing these plans.

¹ Comprising the Bishop's Stortford wards of All Saints, Central, Meads, Silverleys, South.

² Comprising the four wards in Uttlesford District of Birchangar, Stansted North, Stansted South and Takeley and Canfield.

Data Sources

The analysis presented below draws upon relevant datasets that can be analysed at a sub-district level. These are as follows.

- Business Register and Employment Survey (BRES)
- 2011 and 2001 Census
- Job Seekers Allowance (JSA) Claimant Count
- Jobcentre Plus' Labour Market System.

With respect to the BRES it is worth noting that this replaced the Annual Business Inquiry (ABI) in 2009. All employment is quantified by BRES as Employees and Working Owners. Previously, the ABI data only measured employees. To capture all employment the BRES has been used from the start of BRES data being available in 2008.

A five to ten year trend has been analysed and presented where possible. Data has been presented where possible for:

- Bishop's Stortford (the five wards that make up the urban area of the town)
- Stansted (the four wards in the study area that are part of Uttlesford District.
- Bishop's Stortford and Stansted – the total of the two previous areas
- East Hertfordshire District
- Hertfordshire County
- the East of England
- England.

Employment

Trends in Overall Employment

In 2011 some 26,400 people were employed in the Bishop's Stortford and Stansted area compared with 27,900 people in 2008, a -5.6% decrease over the four year period 2008-11. This compares to a -5.7% decline in total workplace employment in East Hertfordshire as a whole, -3.1% in Hertfordshire as a whole and -2.7% in England.

Overall, employment in the Bishop's Stortford and Stansted area has fallen (by 1,600 jobs or -5.6%) since 2008 as a result of declining employment in the Stansted area. This is associated with falling passenger numbers passing through Stansted airport. Between 2008 and 2011, SAL report that the number of people employed at the airport fell from around 12,000 in 2008 to 10,230 in 2011, a fall of around 1,100³.

The decline in employment in the Bishop's Stortford and Stansted area is similar to that of East Hertfordshire (-5.7%), yet compared to the regional (-2.9%) and England average (-2.7%) the decline is much more substantial.

Yet despite a sharp fall in employment during 2008-2010, the Bishop's Stortford and Stansted area, district and county have experienced a stronger recovery since 2010 than that seen in either the region or nationally. For instance, employment rose by 3.0% (800 jobs) in the Bishop's Stortford and Stansted area during 2010-2011, 2.7% in East Hertfordshire and 1.1% in Hertfordshire compared with 0.7% in the region and 0.3% in England.

It is worthy of note that over the period 2008-11, employment in the town of Bishop's Stortford (as distinct from the wider area) has grown (by 100 jobs), despite the weakness of the national economy. It would appear that the relatively poor employment performance of the Bishop's Stortford and Stansted area in recent years, has been entirely associated with reductions in employment at Stansted Airport as passenger numbers fell.

In addition to those in employment there are some 4,130 self-employed people resident in the area, the great majority of which are likely to work in the area. This would bring the total number of people working in the area to around 30,500. These will be made up of those who live in the Bishop's Stortford and Stansted area and those who live outside this area and commute in.

³ Source: Stansted Airport Ltd (STAL) Sustainability Report 2011

Figure A1.1: Total, Part and Full-time Employment, 2008-2011

	2008	2009	2010	2011	% change 2008-2011
Total Employment					
Bishop's Stortford	14,100	14,500	13,400	14,100	0.5
Stansted	13,800	12,900	12,200	12,200	-11.8
Study Area	27,900	27,400	25,600	26,400	-5.6
Part-Time Employment					
Bishop's Stortford	5,000	4,800	4,800	5,400	8.1
Stansted	3,500	2,800	3,700	3,400	-1.4
Study Area	8,500	7,600	8,500	8,900	4.2
Full-Time Employment					
Bishop's Stortford	8,100	8,600	8,200	8,200	1.3
Stansted	9,900	9,400	8,400	8,600	-13.2
Study Area	17,900	17,900	16,500	16,700	-6.7

Source: BRES

There were 16,700 full time jobs in 2011 in the Bishop's Stortford and Stansted area, -1,200 (-6.7% fall) fewer jobs than in 2008. This compares to a -6.2% decline in East Hertfordshire, a -5.3% fall in Hertfordshire, a -3.5% fall in East of England and a 2.6% fall in England. Full-time employment in 2011 was +1.3% higher in Bishop's Stortford and -13.2% lower in Stansted in 2011 compared to 2008.

There were 8,900 part time jobs in the Bishop's Stortford and Stansted area in 2011 representing a +4.2% increase over the period since 2008. In the Bishop's Stortford area the number of part time jobs increased by +8.1% (400 jobs) over the period 2008 to 2011. In common with trends in the national economy then there has been a relative shift in the Bishop's Stortford and Stansted area from full time employment to part time employment.

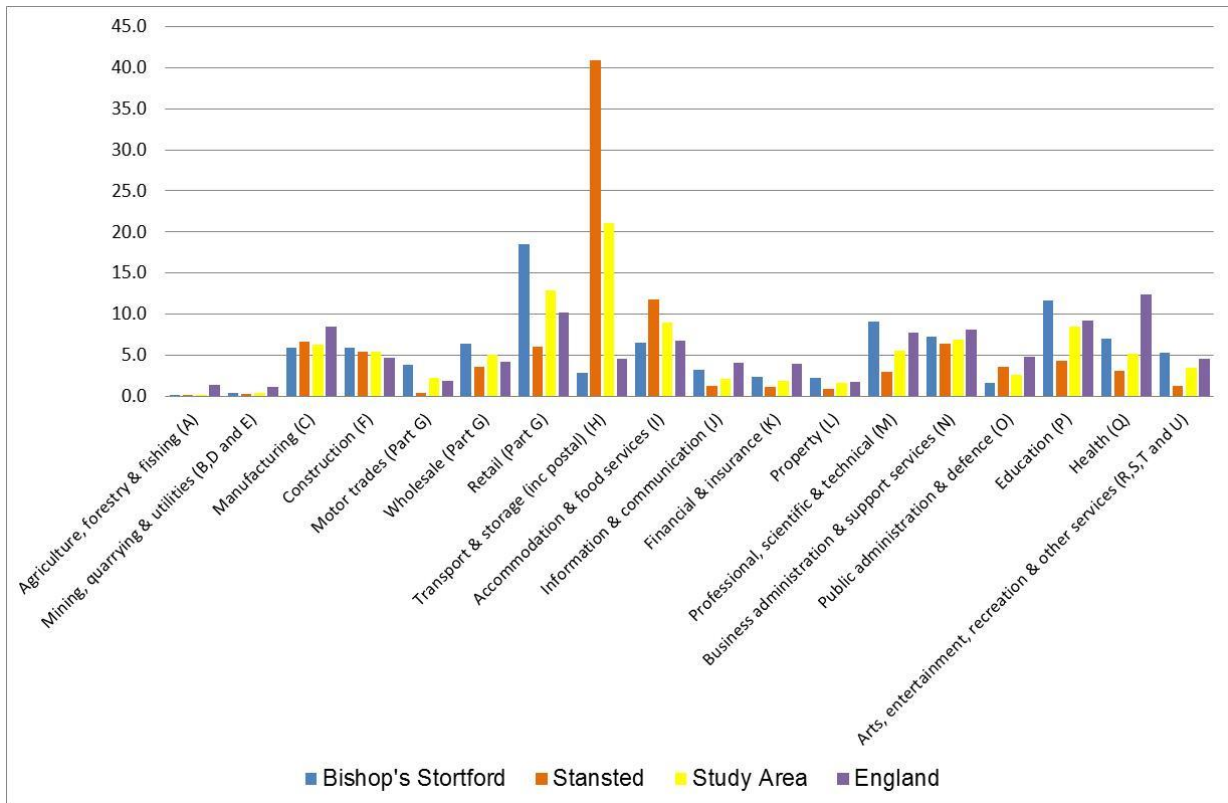
Key Sectors

Around two thirds of all employment in the Bishop's Stortford and Stansted area are accounted for by 8 sectors as follows:

- Transportation and storage (including postal) accounting for 20.5% of total employment (5% in England)
- Retail accounting for 12.8% of total employment (10% on England)
- Accommodation and food services (9.0% compared to 7% in England)
- Education (8.3%, compared to 9% in England)
- Business administration and support services (6.8% compared to 8% in England)
- Professional, scientific and technical activities (6.3%, compared to 8% in England)
- Manufacturing (6.2% compared to 9% in England)
- Construction (5.6% compared to 5% in England)

Compared to the Bishop's Stortford and Stansted area as a whole, retail employment is a more significant employer in Bishop's Stortford at 13%. It is also much more significant than the average for England as a whole, where retail employment accounts for only 10% of jobs. In Stansted, Transport and Storage (41.0%), Accommodation and Food Services (11.8%), Manufacturing (6.6%), Business Administration and Support Services (6.4%) and Construction (5.4%) are important employment sectors (see Figure A1.2)

Figure A1.2: Percentage of Employment by Sector, 2011

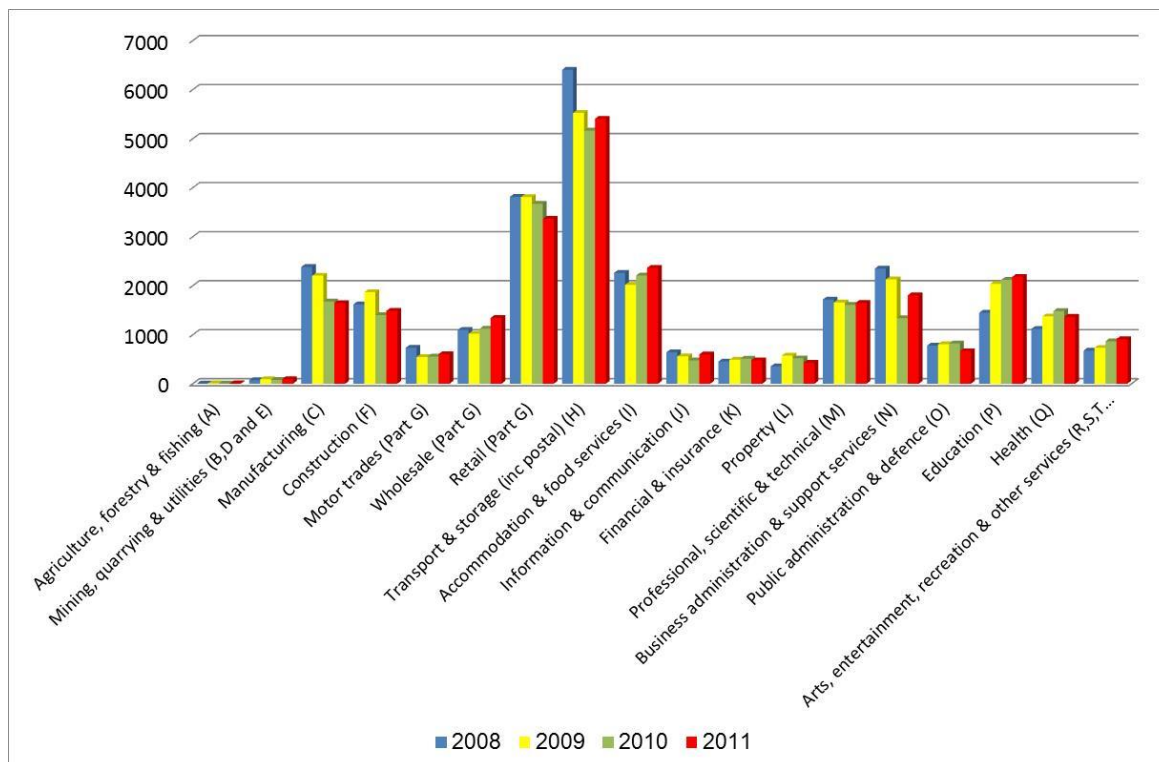


Source: BRES 2011

Sectors which have grown in terms of employment over the period 2008 to 2011 are as follows:

- Education, an increase of 700 jobs, growth of +51%
- Arts, education and entertainment, an increase of 200 jobs, growth of +35%
- Health, an increase of 300 jobs, growth of +22%
- Wholesale, an increase of 200 jobs, growth of +22 %
- Accommodation and Food Services, an increase of 100 jobs, growth of +5%
- Property, an increase of 100 jobs, growth of +21 %

Figure A1.3: Employment Change by Sector in the Study Area, 2008-2011



Source: BRES

The Bishop’s Stortford and Stansted area has particular specialisms compared to Great Britain (as measured by Location Quotients⁴ in the following sectors:

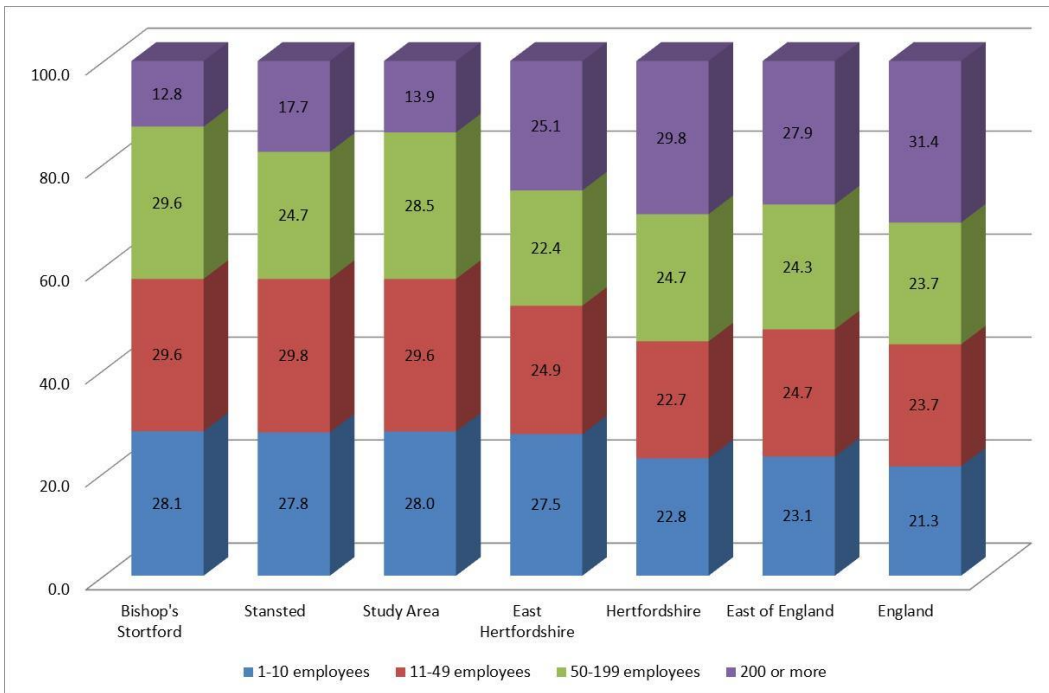
- Transport and storage – LQ of 4.6
- Retail – LQ of 1.3
- Motor Trades - LQ of 1.3
- Accommodation and food services – LQ of 1.3
- Wholesale - LQ of 1.5
- Construction - LQ of 1.2

⁴ Location quotients are a measure of industrial specialisation for local areas. They compare for each industry, the industry's share of local area employee jobs with its share of total employee jobs. A value of 1 means that an industry's share of employee jobs in the study area is the same as its share of national employee jobs in Great Britain. A value greater than 1 means that an industry makes up a larger share of employee jobs in the local area than at the national level.

Employment by Establishment Size

The majority of employment in Bishop’s Stortford and Stansted is in micro to medium sized businesses (see Figure A1.4), with 46% of employment in establishments with less than 50 employees and only 14% in establishments with 200 or more employees. The profile for employees by size of workplace in Bishop’s Stortford and Stansted are fairly similar. The exception being that Stansted has a lower proportion of employees working in businesses with 50-199 employees (25%) and a higher representation in businesses with 200 or more employees (18%) compared with Bishop Stortford. Fewer establishments employing 200 or more employees are represented in the study compared with the district, county, region and national averages.

Figure A1.4: Employees by Size of Workplace Establishment



Source: ABI 2008

The Importance of Stansted Airport

Stansted Airport Limited (SAL) publish data on total employment associated with the airport. The 2011 Employment Survey conducted by SAL indicated that 10,200 people were employed at the airport in around 200 businesses. Official employment statistics indicate that around 8,100 people are employed in Takeley and Canfield ward, the area in which the Airport Terminal and related activities on the south side of the airport are located⁵.

Though employment at Stansted Airport has declined in recent years, without question the airport and its operational requirements are the major factor underpinning the economy of Bishop’s Stortford, directly and indirectly. However, there is little evidence to support the notion that many businesses have located in

⁵ Source: Business Register and Employment Survey 2012

the area because they have a regular requirement to fly to destinations served by planes flying from Stansted.

Figure A1.5 shows where around three quarters (7,550) of those who work at the airport live. (The remaining number 2,680 presumably live elsewhere). The largest number of employees live from East Hertfordshire and Uttlesford Districts.

Figure A1.5: Where Those Employed at Stansted Airport Live, 2011



Source: Stansted Employment Strategy, Update 2012.

Employment Forecasts

Over the next 19 years (to 2031) forecasts⁶ from the East of England Forecasting Model indicate that employment in East Hertfordshire is expected to grow by 9,700 jobs and by 3,700 jobs in Uttlesford. Over the next four years to 2016 the forecasts indicate that 4,900 jobs will be created in East Hertfordshire and 2,500 jobs in Uttlesford (see Figure A1.6). Over the whole period EEFM forecasts a 15.1% increase in East Hertfordshire and 8.4% increase in Uttlesford.

The EEFM forecasts are therefore anticipating rapid job growth in the next four years to 2016, with over half of all the jobs to be created in East Hertfordshire and Uttlesford in the period to 2031 created in the next 4 years. This slower job growth post 2016 is a function largely of labour market constraints.

⁶ DTZ, prepared on behalf of East Hertfordshire Council, *East Hertfordshire Employment Forecasts and Strategic Economic Development Advice Final Report*. November 2012.

Figure A1.6: Forecast Additional Jobs Created ('000) and % Growth in Employment by Time Period

	2012	2012-16	2016-21	2021-26	2026-31	2012-2031
Forecast Additional Jobs Created ('000)						
East Hertfordshire	63.9	4.9	2.5	1.3	1	9.7
Uttlesford	43.7	2.5	1.2	0.1	-0.2	3.7
Bishop's Stortford	14.1	1.1	0.6	0.3	0.2	2.1
Stansted	4.1	0.2	0.1	0.0	-0.0	0.3
% Growth in Employment						
East Hertfordshire	63.9	7.6%	3.7%	1.8%	1.4%	15.1%
Uttlesford	43.7	5.8%	2.6%	0.3%	-0.4%	8.4%

Source: East of England Forecasting Model, DTZ

The EEFM forecasts anticipate that job growth in East Hertfordshire will be driven predominately by growth in the service sector (over 6,100 jobs are forecast to be created in the financial and business services sector) with employment in manufacturing expected to decline between 2012 and 2031. This would generate a large requirement for new B1 space, while there will be a reduced demand for B2 space.

In Uttlesford the EEFM forecasts anticipate that job growth will be concentrated in services, with growth of +1,300 in professional and +800 in business services. Job growth is also expected in the construction sector with 800 additional jobs. It is not clear that any consideration is given in the EEFM modelling to the particular profile of employment that would be associated with significant growth of passenger volumes at Stansted.

In Wessex Economics' opinion the scale of job growth set out in the period to 2016 seems somewhat implausible, given current high levels of economic activity and employment, and could only be sustained by drawing in labour from further afield. It reflects the dominant feature of most current economic forecasts that anticipate a robust recovery of the UK economy prior to 2016. Forecasts of a robust recovery have been pushed further out over the past few years as the recovery has failed to materialise.

This view mirrors the assessment made in DTZ's report *East Hertfordshire Employment Forecasts and Strategic Development Advice*. This puts forward the view that employment will not recover at the pace set out in the EEFM forecasts, with the possibility that the UK will grow at a significantly slower pace than observed over the 1991-2008 period for a number of years. This would restrict employment growth to below the levels forecast by the EEFM.

Notwithstanding this assessment of the EEFM forecasts in the short term, they provide a framework for longer term thinking in terms of job growth, and the two Districts are favourably positioned to capture investment and job growth. Figure A1.6 shows the level of job growth in the Bishop's Stortford and Stansted area were the number of jobs to grow by the same percentage value between 2012 and 2031 as forecast for the relevant District as a whole.⁷

⁷ Using the East Hertfordshire forecast as the basis for forecasting for Bishop's Stortford and the Uttlesford job growth forecast as the basis for forecasting job growth at Stansted.

The forecasts would indicate that over the next four years, if jobs in the Bishop's Stortford and Stansted grew at the same rates as in East Hertfordshire and Uttlesford Districts as a whole, an additional 1,340 jobs would be created in the area in the period 2012-2016; and over the period 2012 to 2031 around 2,450 jobs would be created.

The split of job growth between Bishop's Stortford and Stansted (2,100 in Bishops Stortford and 350 in Stansted) should not be regarded as reliable. The location of jobs within the Bishop's Stortford and Stansted will be very much a function of land use policies in the area, and decisions about allocations of employment land. It also depends greatly on the success of the airport under its new owners.

The new owners of Stansted airport have announced their objective of increasing passenger numbers at Stansted by around 5 million over the next 5 years. If this were to be achieved it would represent growth of about 28% in current passenger numbers, and would probably be accompanied by significant job growth.

If the number of jobs associated with the airport as reported by SAL (10,230) were to increase by 28% this would entail an increase of around 2,860 jobs. In reality there would be productivity gains to be realised. But if the new owners of SAL achieve their objectives this could be a major motor of employment growth in the whole of the Bishop's Stortford and Stansted, but with the likelihood that a significant proportion of these jobs would be located at Stansted.

Resident Population and the Resident Workforce

Population

In 2011 around 51,000 people lived in Bishop's Stortford and Stansted. Over the course of a decade (2001 to 2011) the population increased by +10.7% or 5,400 people, a higher percentage increase than county, regional and national averages. Over half of this increase derived from a population increase in Stansted (+22.7% rise or +2,900 people), adding significantly to a smaller population base. Whilst experiencing a slightly smaller absolute rise, Bishop's Stortford recorded population growth of +2,500 people or +6.6%.

There are more females than males in Bishop's Stortford and Stansted with a 51: 49 split in 2011, similar to the position in 2001. Both gender populations have continued to grow over the ten year period. The rate of growth for the female population was slightly higher at +12.2% compared with that for males and is above county, regional and national averages. Strong growth was seen in Stansted for both the male and female population over the last decade at +28.8% and +30.1% respectively.

Figure A1.7: Total Population by Gender, 2011 and 2001

	Total Population, 2011	Absolute Change in Total Population, 2011 and 2001	% Change in Total Population, 2011 and 2001	Total Male Population, 2011	Total Female Population, 2011	% Change in Male Population, 2011-2001	% Change in Female Population, 2011-2001
Bishop's Stortford	37,838	2,507	6.6	18,506	19,332	6.8	7.4
Stansted	12,765	2,904	22.7	6,378	6,387	28.8	30.1
Study Area	50,603	5,411	10.7	24,884	25,719	11.7	12.2
East Hertfordshire	137,687	8,769	6.4	67,690	69,997	7.1	6.5
Hertfordshire	1,116,062	82,085	7.4	547,110	568,952	8.3	7.6
East of England	5,846,965	458,825	7.8	2,875,807	2,971,158	9.0	8.0
England	53,012,456	3,873,625	7.3	26,069,148	26,943,308	9.0	6.8

Source: 2011 and 2001 Census

A breakdown in the population structure by age is presented in Figure A1.8. The working age population (16-64) accounts for around 33,235 people in Bishop's Stortford and Stansted or 66% of the total population, The proportion of the population of working age is above average compared with the benchmark areas; including England at 65%. Whilst the proportion of the population who are of working age has remained roughly the same in the study area (0.2 percentage point increase between 2001 and 2011), the number of people of working age increased by +3,620 people as the overall population has increased.

Figure A1.8: Total Population by Age, 2011

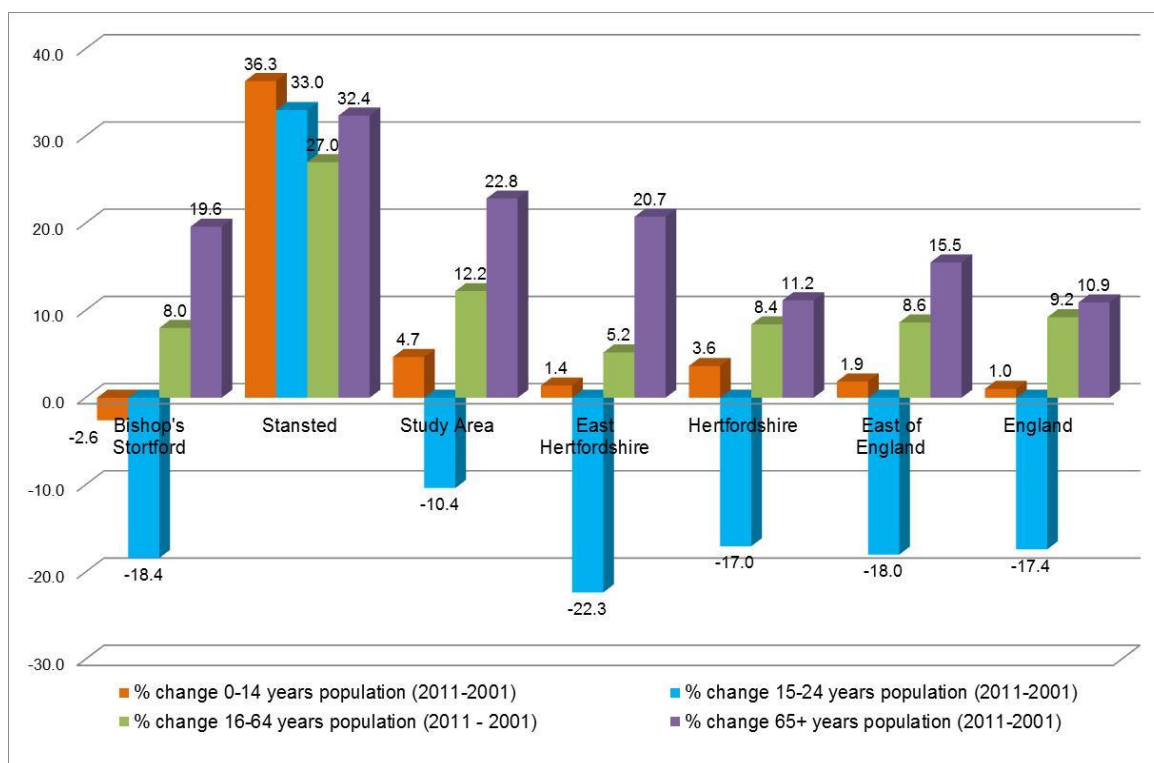
	Bishop's Stortford	Stansted	Study Area	East Hertfordshire	Hertfordshire
0-14 years population	7,387	2,376	9,763	25,652	209,246
15-24 years population	4,512	1,359	5,871	15,049	134,300
16-64 years population	24,881	8,354	33,235	88,886	718,623
65+ years population	5,038	1,894	6,932	21,253	173,915

Source: 2011 and 2001 Census

The child and young person population (those aged 0-14 years) has remained largely unchanged over the last decade in Bishop's Stortford and Stansted as a whole, though in Stansted an increase of 36.6% (660 people) was recorded compared to +1.0% in England (Figure A1.9). The population of older teenagers and young adults (15-24 years) comprises around 5,870 people (Figure A1.8) and has fallen substantially across all areas with the exception of Stansted which recorded a +33% increase (or +350 young people) as illustrated in Figure A1.9.

Across the UK as a whole the population is ageing, and this is mirrored Bishop's Stortford and Stansted, but the growth in the population aged 65 and over has increased more rapidly (22.8%) than in England (10.9%) with a particularly high increase in Stansted (+32.4%). The ageing of the population can be expected to present some challenges if the number of jobs continue to grow, at the same time that the proportion of the adult population who are economically active falls.

Figure A1.9: % Change in Population by Age, 2011 and 2001



Source: 2011 and 2001 Census

Economic Activity

There were some 28,400 economically active people in Bishop's Stortford and Stansted in 2011 representing an increase of +16.0% between 2011 and 2001. This is higher than growth seen at the regional and national level. Growth in the economic activity of the population is seen in both Bishop's Stortford and Stansted, with an increase of 2,080 and 1,845 economically active persons (Figure A1.10).

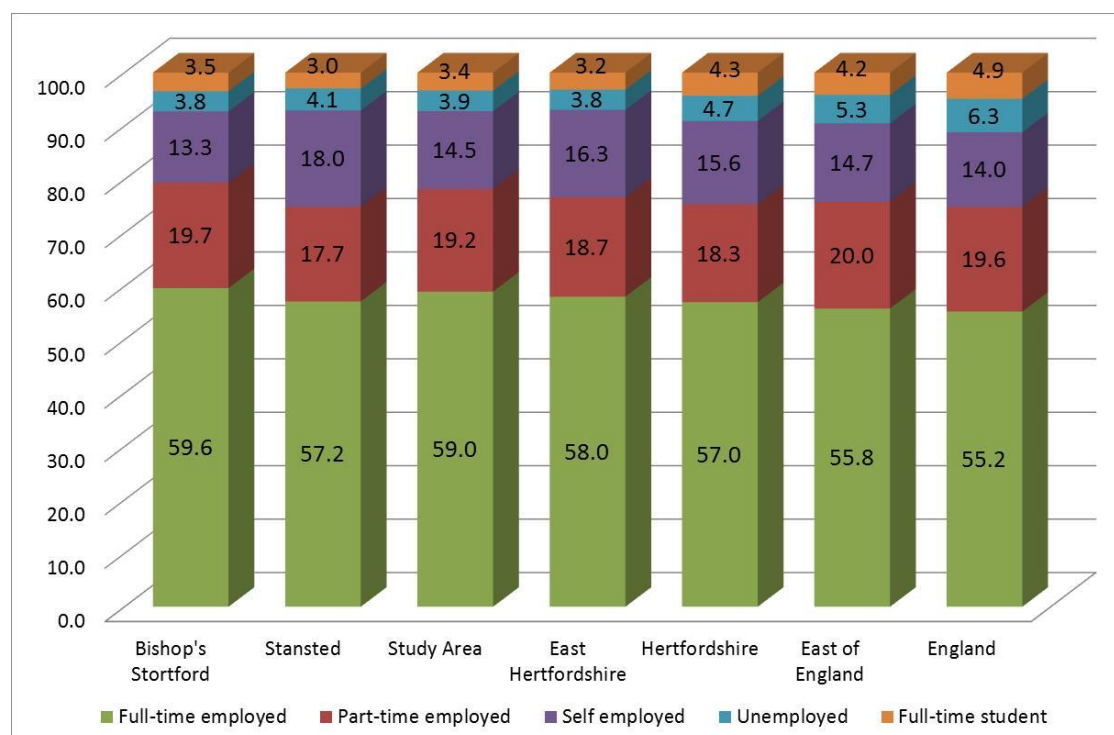
Figure A1.10: Economically Active, Number and % Change

	Economically active (2011) - Number	Economically active (2001) - Number	Absolute change (2011-2001)	% change (2011-2001)
Bishop's Stortford	21,163	19,083	2,080	10.9
Stansted	7,230	5,385	1,845	34.3
Study Area	28,393	24,468	3,925	16.0
East Hertfordshire	75,434	69,200	6,234	9.0
Hertfordshire	598,438	536,263	62,175	11.6
East of England	3,038,090	2,689,756	348,334	13.0
England	27,183,134	23,756,707	3,426,427	14.4

Source: 2011 and 2001 Census

The structure of the economically active is illustrated in Figure 10. Notably, a high percentage of the resident population in the study area are employed (26,340 people in 2011), accounting for 93% of those who are economically active, compared with 89% in England. Consequently a lower proportion of the economically active are unemployed or full-time students, again below the England average. This will reflect a relatively buoyant local economy and the absence of any large higher education establishments in the area.

Figure A1.11: Economically Active Structure, 2011



Source: 2011 Census

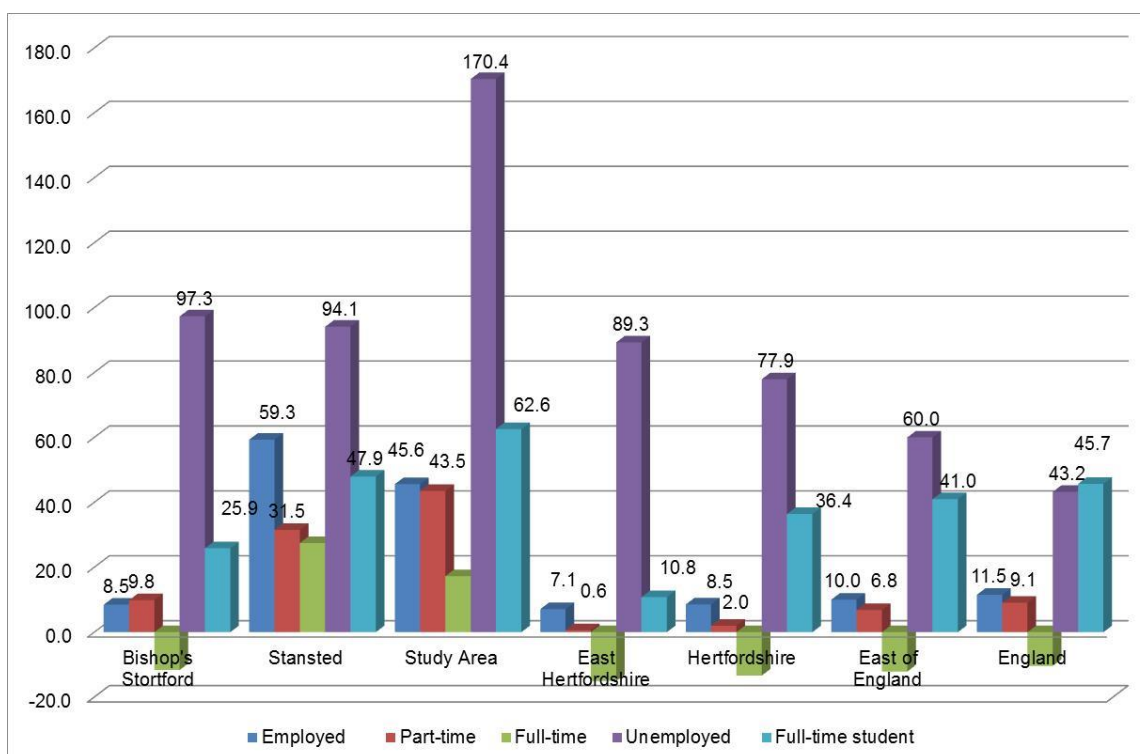
More of the resident population in Bishop's Stortford and Stansted are in full-time employment (16,750 people) compared with East of England and England and fewer work part-time (5,460 people). Self-employment (4,130 people) in Bishop's Stortford and Stansted accounts for a similar proportion of the economically active as in the other benchmark areas although noticeably more of the resident population in Stansted are self-employed at 18%.

The number of people in full-time employment has fallen across all areas with the exception of Bishop's Stortford and Stansted and Stansted alone. In total there were 2,470 more people who work full time in the Bishop's Stortford and Stansted in 2011 than 2001, a rise of +17.7%% (compared to a decline of those in full-time employment in England of 10.4% in the same period). The rise in full-time employment in the study area has been driven by Stansted, as in Bishop's Stortford full-time employment fell between 2001 and 2011 (-1,665).

Overall the percentage of population in employment has risen. This has been the result of growing numbers of people working both full and part time. In Bishop's Stortford and the other benchmark areas, with the exception of Stansted, over the decade 2001 to 2011 part time employment has grown while full time employment has fallen. This is likely to reflect structural change in the local economy and some degree of exercise of personal choice by those who are economically active. In most areas, however, there are people working part time who would like to work longer hours.

For those working part-time, 10% of the resident working age (16-74) work 15 hours or less compared to 10% in England. Whilst those working 16 to 30 hours account for 17% compared to 19% in England. 56% of the resident working age work 31 to 48 hours compared to 57% in Stansted and 5% in England. 17% work 49 hours or more in the study area compared to the national average of 13%.

Figure A1.12: % Change in Economically Active Broken Down by Employed, Unemployed, FT-Student, 2011-2001



Source: 2001 and 2011 Census

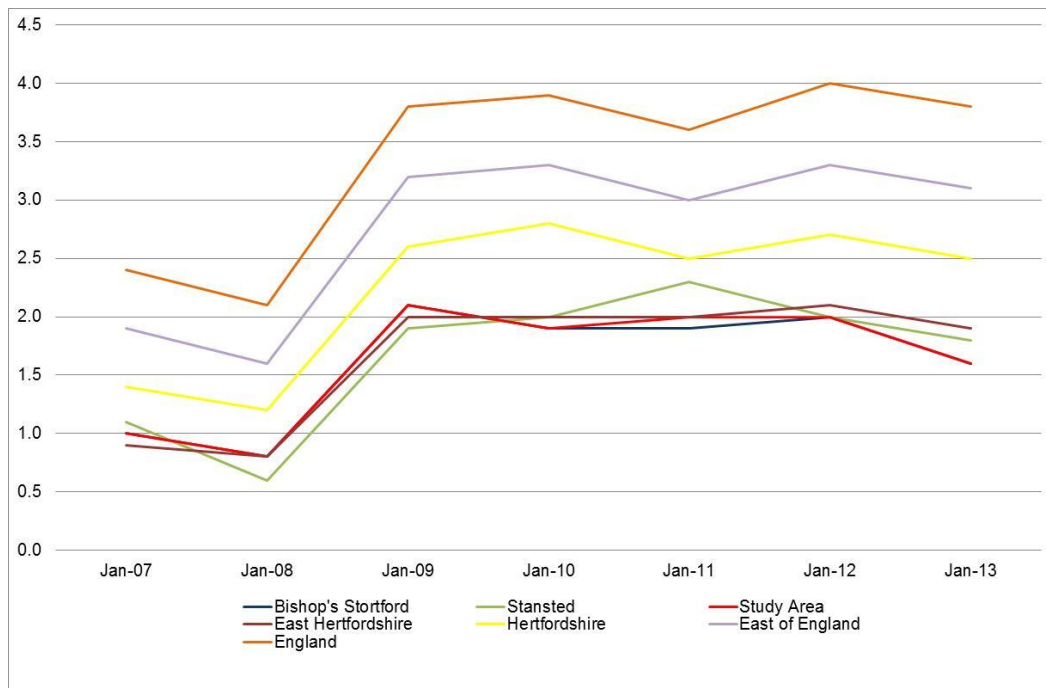
Unemployment

According to Census data unemployment has risen by more than the national average in Bishop’s Stortford and Stansted (+86.2% or 451 people in 2001 to 974 in 2011) and in Bishop’s Stortford (+97.3% or 395 people), but less so in Stansted (+47.9% or 56 people), the latter being similar to the national average. Youth unemployment according to the 2011 Census accounted for 0.8% of the economically active in the study area or 264 people; whilst long-term unemployment accounted for 307 people or 1.2% of those economically active.

The Jobseekers Allowance (JSA) Claimant Count records the number of people claiming JSA and national insurance credits at Jobcentre Plus local offices. It is not an official measure of unemployment but is a statistic available for areas smaller than local authorities.

In March 2013 there were 491 claimants in the working age resident population in Bishop’s Stortford and Stansted with a claimant rate of 1.6% compared with 3.8% in England and slightly higher in Stansted at 1.8%. The claimant rate in the study area was 0.6 percentage points higher than in March 2007, although lower than the rate of 2.0% in March 2011 and 2012 as illustrated in Figure 12.

Figure A1.13: Claimant Count Rate, March 2007-2013



Source: Claimant Count

The male claimant rate in March 2013 in the study area was 2.2% or 329 males, 0.9 percentage points higher than in March 2007, reaching even higher in 2009 at 3.0%. Overall, the claimant rate for males is below all of the district, county, regional and national averages. The female claimant rate was 1.1% in March 2013, 0.4 percentage points higher than in March 2007. The rate was higher in March 2012 at 1.4%. The claimant rate in March 2013 is lower than the county, regional and national averages.

Figure A1.14: Claimant Count by Gender, March 2013

	Males		Females	
	Rate	Number	Rate	Number
Bishop's Stortford	2.1	265	1.1	138
Stansted	2.6	64	1.0	24
Study Area	2.2	329	1.1	162
East Hertfordshire	2.4	1,076	1.4	634
Hertfordshire	3.2	11,518	1.8	6,561
East of England	4.1	75,168	2.2	41,290
England	4.9	845,943	2.6	449,493

Source: Claimant Count

Youth unemployed claimants accounted for around 110 of the resident working age population in March 2013, showing a rise of +15 people since March 2007 or +16%. The majority of unemployed people live in Bishop's Stortford. Long-term unemployed claimants equated to 105 of the resident working age population and rose by +90 claimants since March 2007.

Figure A1.15: Youth and Long Term Unemployment, March 2013

	Youth unemployed 2011 - Number	% Change Youth unemployed 2001- 2011	Long term unemployed - Number	% Change Long Term Unemployed 2001- 2011
Bishop's Stortford	95	11.8	105	250.0
Stansted	15	50.0	15	200.0
Study Area	110	15.8	120	300.0
East Hertfordshire	415	76.6	400	207.7
Hertfordshire	4,210	56.5	4,110	197.8
East of England	31,260	52.2	29,110	175.5
England	345,770	44.3	354,565	168.4

Source: Claimant Count

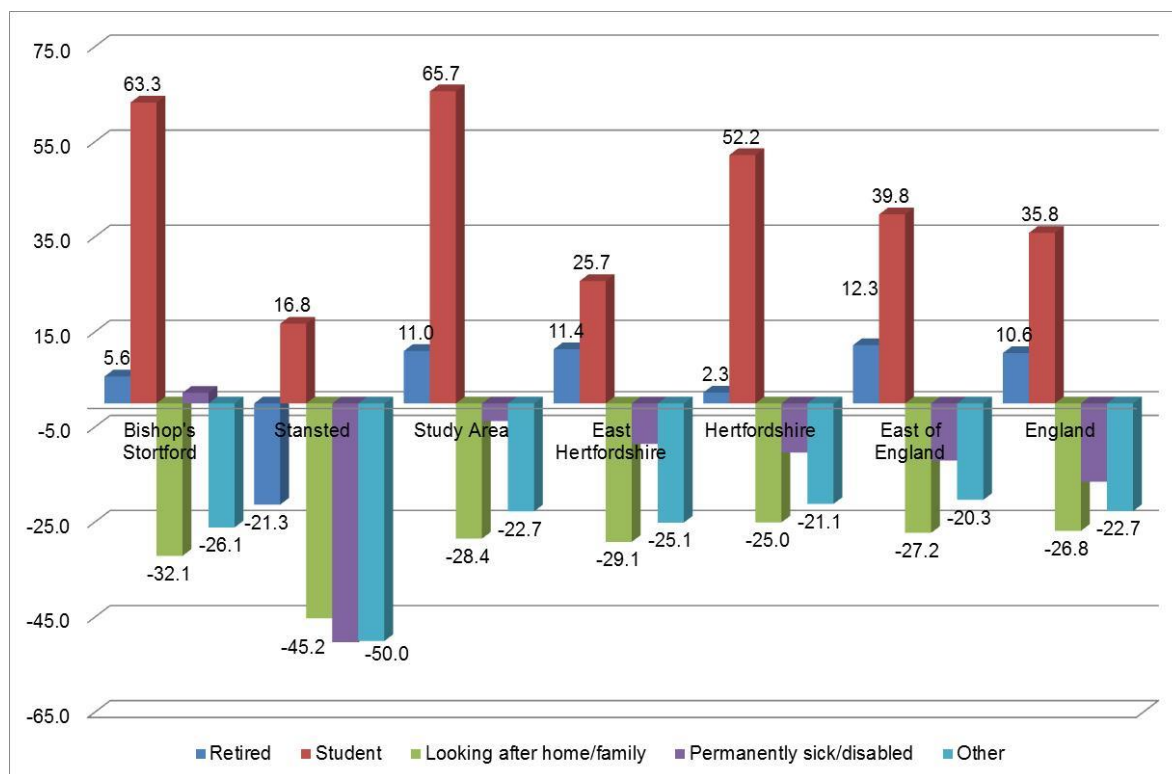
Economic Inactivity

In 2011 there were 8,470 residents of working age economically inactive in Bishop's Stortford and Stansted. Of these 74% live in Bishop's Stortford. Inactivity has risen by +3.1% since 2001 (+250 people), most of which is attributable to Stansted (+250 people).

The study area has a higher percentage of retired people, 48% compared with 45% in England, as well as there being more people looking after the home/family, 19% in Bishop's Stortford and Stansted compared to 14% in England. There is a higher proportion of those who are permanently sick in the study area at 16.5% compared with the national average (13%).

Over the last decade, there has been a fall in those looking after the home/family (-28.4% or -650 people) compared to the England average (-27%). Those who are retired has risen across the board, accounting for a +11% (+410 people) rise in Bishop's Stortford and Stansted compared with a +10.6% in England. A fall was recorded in Stansted with a -21% (-205 people) decline.

Figure A1.16: % Change in Economically Inactive Broken Down by Employed, Unemployed, FT-Student, 2011-2001



Source: 2001 and 2011 Census

Occupational Characteristics

Almost 60% of residents living in Bishop’s Stortford and Stansted are employed in high skill and skilled occupations including i) managers, directors and senior officials (13%) ii) professional occupations (20.0%) and iii) associated professional and technical occupations (15%). The proportion of Bishop’s Stortford and Stansted residents employed in each of these occupation categories are above the regional and national averages. Bishop’s Stortford and Stansted exhibit similar proportions.

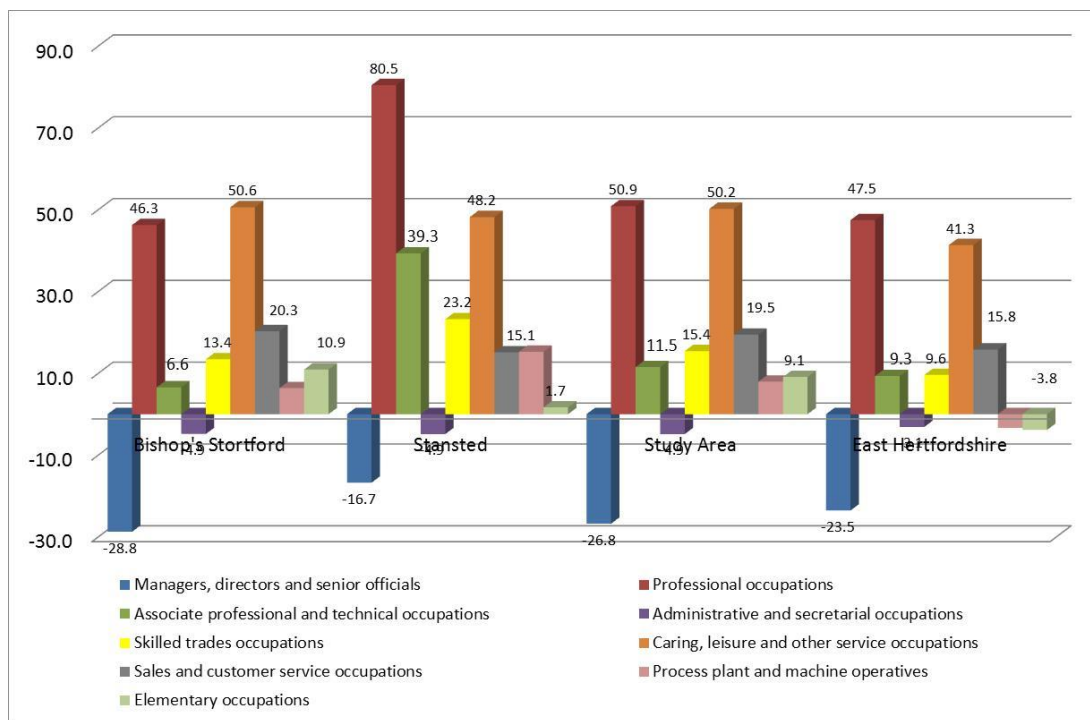
Figure A1.17: Occupational Profile of Resident Population, 2011

	Managers, directors and senior officials	Professional occupations	Associate professional & technical	Administrative and secretarial	Skilled trades	Caring, leisure & other service occupations	Sales and customer service occupations	Process plant & machine operatives	Elementary occupations
Bishop's Stortford	13.6	20.4	15.3	11.9	8.8	9.2	7.7	4.9	8.1
Stansted	14.4	18.1	16.4	11.1	11.3	8.4	6.6	5.3	8.4
Study Area	13.8	20.0	15.5	11.8	9.3	9.0	7.5	4.9	8.2
East Hertfordshire	14.7	20.3	15.5	12.4	10.5	7.9	6.0	4.9	7.7
Hertfordshire	12.9	20.2	14.6	12.1	10.2	8.4	7.5	5.5	8.6
East of England	11.4	16.7	12.9	12.0	12.0	9.3	7.9	7.3	10.6
England	10.9	17.5	12.8	11.5	11.4	9.3	8.4	7.2	11.1

Source: 2011 Census

Since 2001, across the benchmark areas, the proportion of those who are managers, directors and senior officials has fallen across the board. In Bishop’s Stortford and Stansted there was a -27% (or -1,240) fall in this occupational group compared to -20% in England. A similar trend is found for administrative and secretarial occupations accounting for a fall of -5% (-148 people) in the study area and -4.% in England.

Figure A1.18: % Change in Occupational Structure, 2001- to 2011



Source: 2001 and 2011 Census

Growth has occurred across all other occupational groups over the period 2001 to 2011. Two occupations where significant absolute and relative growth is recorded over the last decade are in ‘professional occupations’ and ‘caring, leisure and other service’ occupations, with +1,662 people (+51%) and +745 people (+50 %) respectively. Although comparing growth in professional occupations in the study area with the England average (+75%), growth is below average.

Stronger growth in Bishop’s Stortford and Stansted compared with the England average is seen in associate professional and technical occupations (+11%) compared to +3.7% in England but +39% in Stansted. There has been stronger growth in skilled trades in the study area (+15%) compared with England (10%)

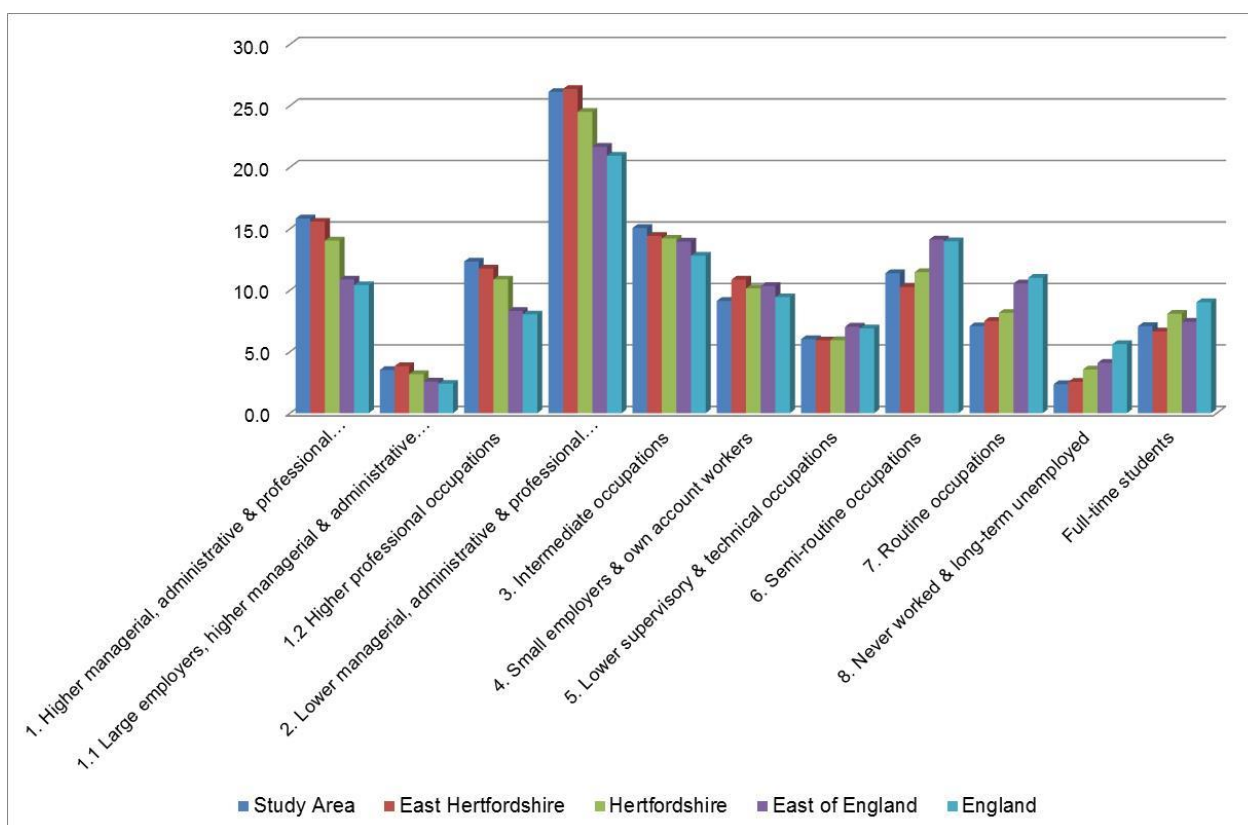
In the study area 56% of men are employed in high skilled occupations, with 20% in professional occupations, 18% in associate professional and technical occupations and 18% as managers, directors and senior officials. All are above the national average. Skilled trades account for 16% of resident males, below the national average of 19%.

In the study area, 20% of women are employed in administration and secretarial occupations, 20% in professional occupations and 16% in caring, leisure and other service occupations (below the national average of 16%), 9% as managers, directors and senior officials (above the national average of 8%).

Socio-Economic Groupings

In Bishop’s Stortford and Stansted, the data for socio-economic groupings from the 2011 Census highlights an above average proportion of the resident working age population employed in senior occupations; including higher and lower managerial, administrative and professional and intermediate occupations. This is also the case in East Hertfordshire and Hertfordshire. In contrast, a below average proportion of the working age population are employed in lower supervisory and technical occupations, semi-routine, routine occupations as illustrated in Figure A1.19.

Figure A1.19: Socio-Economic Groupings, Working Age Residents, 2011



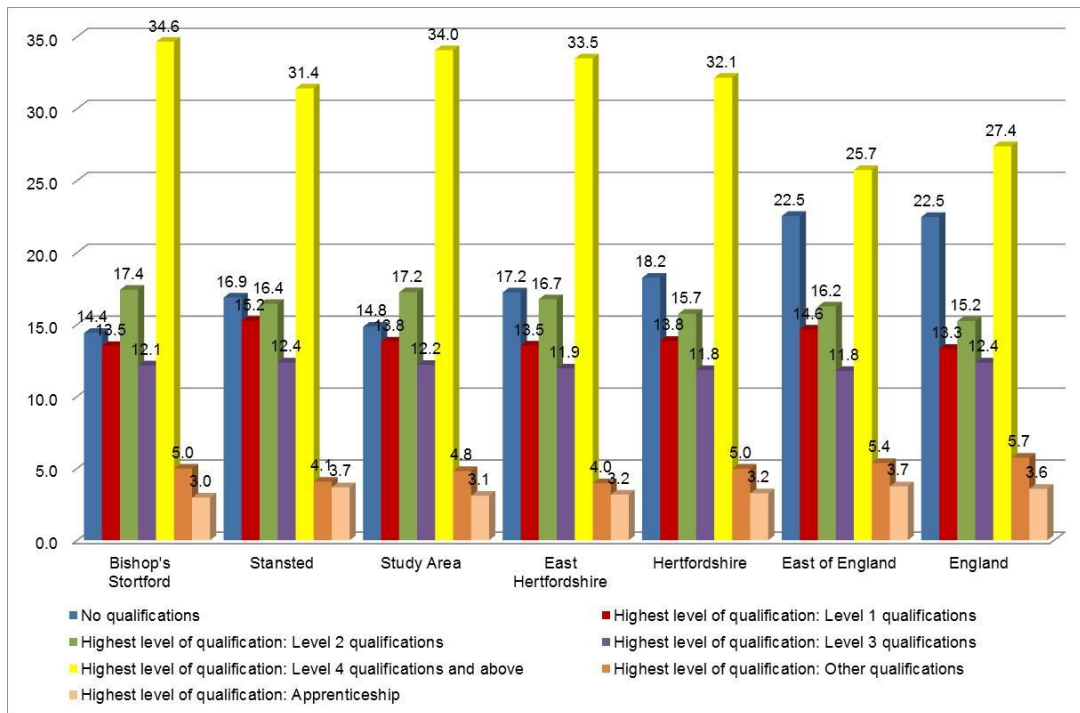
Source: 2011 Census

Skills and Qualifications

The resident working age population in Bishop’s Stortford and Stansted are highly qualified with 34% holding Level 4 qualifications compared to 27% in England. Bishop’s Stortford has even higher proportions with 35%. Consequently, Bishop’s Stortford and Stansted has below average proportion of the working age population with no qualifications at 15% compared to 22% in England. 17% of working age population have Level 2 qualifications, above the county, regional and national average.

Lower proportions of the resident working age population in the study area have Level 3 qualifications (A levels) compared to the district, county, region and national averages and Other qualifications (with the exception of East Hertfordshire).

Figure A1.20: Qualifications, 2011



Source: 2011 Census

The 2011 Census provides a further breakdown of the levels of qualifications gained by residents aged 16 and over in Bishop's Stortford and Stansted and is presented in Figure A1.21. Again the data emphasises the above average level of skills and qualifications held by those living in Bishop's Stortford and Stansted. The data show slightly higher proportions of qualifications held in Bishop's Stortford compared to the Study Area and Stansted.

Figure A1.21: Qualifications Gained - % of total residents aged 16 and over - 2011

	Study Area	East Hertfordshire	Hertfordshire	East of England	England
No qualifications	14.8	17.2	18.2	22.5	22.5
1-4 O levels/CSE/GCSEs (any grades), Entry Level, Foundation Diploma	36.7	36.7	35.4	35.3	33.7
NVQ Level 1, Foundation GNVQ, Basic Skills	6.5	6.4	6.8	7.8	8.3
5+ O level (Passes)/CSEs (Grade 1)/GCSEs (Grades A*-C), School Certificate, 1 A level/2-3 AS levels/VCEs, Higher Diploma, Welsh Baccalaureate Intermediate Diploma	45.0	44.3	40.3	34.3	34.4
NVQ Level 2, Intermediate GNVQ, City and Guilds Craft, BTEC First/General Diploma, RSA Diploma	13.3	13.4	13.2	15.0	15.1
Apprenticeship	5.6	5.7	5.7	6.5	6.3
2+ A levels/VCEs, 4+ AS levels, Higher School Certificate, Progression/Advanced Diploma, Welsh Baccalaureate Advanced Diploma	24.9	24.6	22.8	17.3	18.6
NVQ Level 3, Advanced GNVQ, City and Guilds Advanced Craft, ONC, OND, BTEC National, RSA Advanced Diploma	10.2	10.5	10.0	10.5	10.9
Degree (for example BA, BSc), Higher degree (for example MA, PhD, PGCE)	22.2	21.8	21.4	15.3	17.4
NVQ Level 4-5, HNC, HND, RSA Higher Diploma, BTEC Higher Level	4.6	4.8	4.5	4.1	4.4
Professional qualifications (e.g teaching, nursing, accountancy)	18.3	18.0	16.6	14.2	14.1
Other vocational/work-related qualifications	17.8	17.7	16.6	17.6	17.0
Foreign qualifications	7.1	4.7	6.5	5.4	6.5

Source: 2011 Census

Job Centre Plus Job Vacancies

Figure A1.22 presents information about the stocks and flows of vacancies notified by employers to Jobcentre Plus (JCP). Notified vacancies is monthly data on the inflow of newly notified vacancies to JCP. Unfilled vacancies are a monthly snapshot of the number of unfilled vacancies held by JCP. Live unfilled vacancies are those for which a job seeker can actively apply.

The number of notified vacancies have fallen by -8.7% in Bishop's Stortford and Stansted between November 2007 and 2012. Whilst vacancies were easier to fill in 2008, 2009 and 2011, the number left unfilled in 2012 were around the same level as those in 2007. By 2012 they were more live unfilled vacancies available for jobseekers to apply compared with that in November 2007, representing a rise of 29%.

Figure A1.22: Vacancies in the Study Area, November 2007-2011

	November 2007	November 2008	November 2009	November 2010	November 2011	November 2012	% change November 2007-2012
Notified vacancies	196	165	205	168	230	179	-8.7
All unfilled vacancies	346	231	231	483	283	348	0.6
Live unfilled vacancies	187	144	93	295	177	242	29.4

Source: JCP

Appendix 2: Review of the Commercial Property Market in Bishop's Stortford and Stansted

About this Appendix

This Appendix provides a review of the market for office, industrial and warehouse space in Bishop's Stortford and Stansted. It examines important characteristics of the town's commercial property market such as stock of property by use class, type and location, rentals and yields, stock of vacant property, patterns of occupier demand (take up) and recent and historic development trends.

The Study Area

The area for which data has been presented is the town of Bishop's Stortford, with data analysed broadly for the whole of the built area of the town; and that part of Uttlesford District which include Stansted Airport and related activities on the south and north side of the airport and the settlements of Stansted Mountfitchet and Takeley¹ (see Figure 1 in the main report for a map of the study area).

The reason for extending the study area into Uttlesford is simple. Stansted Airport is without question Bishop's Stortford's largest employer. In 2011 some 10,230 people worked at Stansted Airport, and around 2,500 of those live in East Hertfordshire. It is not known how many live in the town of Bishop's Stortford itself, but it would not be surprising if more than 1,000 residents of the town work at the Airport.

Stansted Airport is also an important driver of the local economy. Many businesses in Bishop's Stortford do business with the airport or with businesses associated with the airport. Much of the demand for commercial space, offices, warehouses and industrial units in the town are occupied by businesses that have links with the airport.

It would clearly make no sense to prepare an economic strategy just for Bishop's Stortford without considering what is happening at Stansted; nor to consider the market for employment space and the need for employment land in Bishop's Stortford without considering the market and available and planned provision for business space in the neighbouring parts of Uttlesford District.

Both East Hertfordshire and Uttlesford District are in the process of preparing Local Plans. The National Planning Policy Framework places upon both local authorities a 'duty to co-operate' in preparing their statutory development plans; and this study will contribute to the evidence base that needs to be considered in the process of preparing these plans.

¹ Comprising the four wards in Uttlesford District of Birchanger, Stansted North, Stansted South and Takeley and Canfield.

Data Sources

The analysis presented below draws upon relevant datasets that can be analysed at a sub-district level. These include:

- the Commercial and Industrial Rateable Value Floorspace Statistics (for MSOAs²)
- Costar data (based on Wessex Economics user defined area of the study area)
- Showcase (based on Wessex Economics user defined area of the study area)
- Local Authority Annual Monitoring Reports
- Industrial and Commercial floorspace monitoring data held by Hertfordshire County Council.

Wessex Economics also acknowledges the valuable contribution made by local agents, who have contributed insights to the operation of the market.

² Middle Layer Super Output Areas 2003 used for the study area are: Bishop's Stortford [East Hertfordshire 003, 004, 005, 007, 008] and Stansted [Uttlesford 005, 006] which include the five wards (2011 wards) of Bishop's Stortford and three wards of Uttlesford. East Hertfordshire 003 includes the ward of Bishop's Stortford Silverleys and Little Hadham, the latter being outside the study area. Uttlesford 006 includes Stansted South and Takeley and Canfields parts of which are outside of the study area. Uttlesford 005 includes the wards of Birchanger and Stansted North but also Elsenham and Henham and Ugley which are outside the study area.

The Office Market

Overview

The office market in Bishop's Stortford and Stansted displays considerable complexity. On the one hand more space has been let since 2008 on an annual basis than in the period 2001-07. On the other hand the demand for space is perceived to have been weaker than that for industrial and warehouse space, with downward movement in effective rents. It is important to try to get under the skin of the market to understand the nature of the stock on offer, its location, and the requirements of those looking for office space.

Overall the study area is not regarded as an established office location for regional and national firms. The market is therefore dominated by local occupiers, though some national and international businesses want space in the area, often because of association with Stansted and proximity to London. However the lack of depth and volume in the market, a reflection of the size of Bishop's Stortford, deters investment. This has resulted in a limited supply of quality stock, which makes the area less attractive to any outside occupiers who might be considering locating in the Bishop's Stortford and Stansted area.

A large proportion of office supply is dated, lacking amenities and adequate car parking. Agents highlight that occupiers are looking for modern, open plan office floorspace with good connectivity by road or rail and parking adjacent to offices. Existing stock in Bishop's Stortford and Stansted is not seen as being ideal, and much is not in the best location. Agents comment that there are currently no proposals for the sort of business park accommodation that would meet many current requirements.

Stock of Office Floorspace

The Bishop's Stortford and Stansted area has approximately 83,000 sq m of office floorspace according to the most recent (2008) data. The overall stock of office floorspace grew by a modest 2.5% over five years 2003-08. Loss and gains in the stock of office accommodation have occurred over this period.

Growth has primarily been driven by provision of additional office floorspace at Stansted equating to 8,000 sq m, of which nearly 90% was accounted for by space in Stansted South ward. In Bishop's Stortford the stock of office floorspace fell by around 6,000 sq m between 2003 and 2008, with losses spread fairly equally between the three wards of Bishop's Stortford Meads, Central and Silverleys.

Figure A2.1: Stock of Office Floorspace, 2003-2008 (000s sq m)

	2003	2004	2005	2006	2007	2008
Study Area	81	87	76	72	76	83
Bishop's Stortford	48	47	40	36	36	42
Stansted	33	40	36	36	40	41

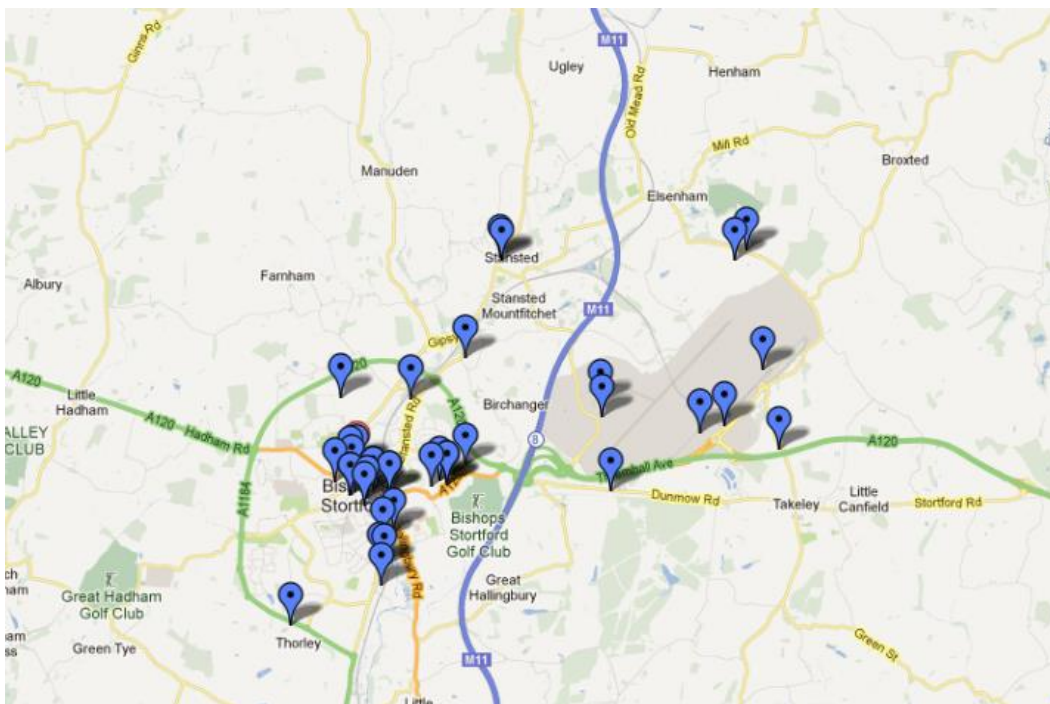
Source: Commercial and Industrial Rateable Value Floorspace Statistics

The majority of office space in the area is located in the study area is located in:

- Bishop's Stortford Central ward, covering the town centre (12,000 sq m)
- Meads ward (20,000 sq m) covering part of the town centre and areas along the Stansted Road and Rye St
- Stansted South (29,000 sq m), which will include development on the north side of Stansted Airport and the M11 Business Link development
- Birchanger and Stansted North (12,000 sq m), which includes space on the B1256 Dunmow Road, and in Stansted Mountfitchet, and Hall Road, near Elsenham

It is worth noting that there is as much office floorspace in the three wards in Uttlesford District included in the study area as in all of Bishop's Stortford.

Figure A2.2: Location of Office Floorspace in Bishop's Stortford and Stansted



Source: East Herts Employment Land Review Update 2013 and Showcase

Stock of Vacant Property

Just over 9,800 sq m of office space is vacant in the study area (as of early May 2013), representing around 12% of the 2008 stock of office space. Of this, around 70% falls in the boundary of Bishop's Stortford, the remaining 30% in Stansted. Vacancy rates are therefore higher in Bishop's Stortford (16%), than in Stansted (7%). Much of the higher levels of vacancy in Bishop's Stortford are associated with older office buildings.

The majority (66%) of vacant space in Bishop's Stortford and Stansted is second hand space. Agents state that space that is of good quality has found tenants; so has space that is cheap. However there is a large stock of small offices above shops in Bishop's Stortford and converted barns in isolated locations outside of the town that struggles to find occupiers.

There is more vacant second hand (66%) office space in Bishop’s Stortford and Stansted than new or refurbished office space (34%). The new or refurbished space in Bishop’s Stortford includes space at Raynham Road and Marriott Court. Existing office space vacancy is located in Sion Park, Thremhall Park, Water Circle (Elsenham), North Building, Stortford House, Airways House, Greens Building, Western House and Endeavour House.

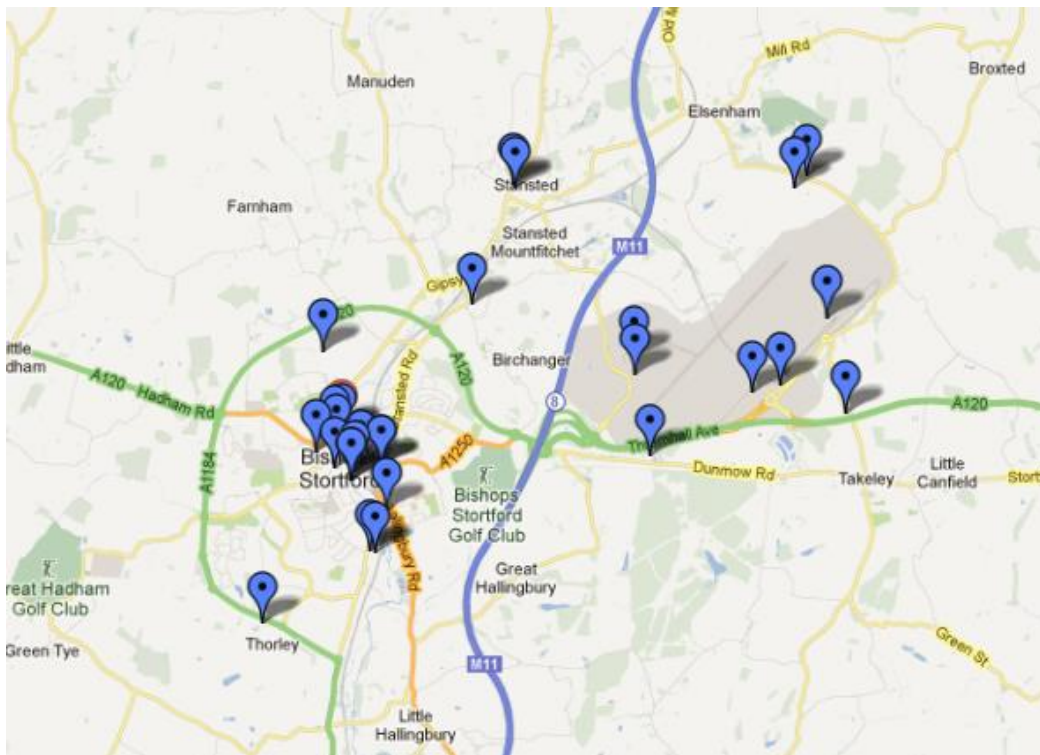
Figure A2.3: Total Vacant Office Floorspace, sq m (May 2013)

	New or Reburished	Secondhand	Total
Study Area	3,329	6,532	9,861
Bishop’s Stortford	3,329	3,541	6,870
Stansted		2,991	2,991

Source: May 2013

Vacant office space in Stansted has been on the market considerably longer than Bishop’s Stortford. Around 80% of vacant office space in Stansted has been on the market for 3-4 years compared with 53% in Bishop’s Stortford. The importance of offering quality stock as well as car parking and access to local amenities was stressed by agents.

Figure A2.4: Location points of Vacant Office Floorspace in the Study Area



Source: Showcase, May 2013

Take up of Office Space

Since the beginning of 2008, some 13,300 sq m of office space has been let (taken up) in Bishop's Stortford and Stansted as illustrated in Figure A2.6, representing an annual average take up of around 2,200 sq m pa in office space across Bishop's Stortford and Stansted. This is higher than the average take up for 2000 to 2007 of around 820 sq m pa, though take up was particularly depressed in 2000-02. Therefore take up in the study area in the years since 2008 has been markedly higher than in the previous 7 years. Given the economic context nationally this is particularly noteworthy.

Figure A2.5: Office Lettings (Take-Up) 2008- start 2013

	No. deals	Sq m	Average deal size in sq m	Average annual take up
Study Area	66	13,234	172.2	2,206
Bishop's Stortford	47	8,092	270.6	1,349
Stansted	19	5,142	200.5	857

Source: Focus, May 2013

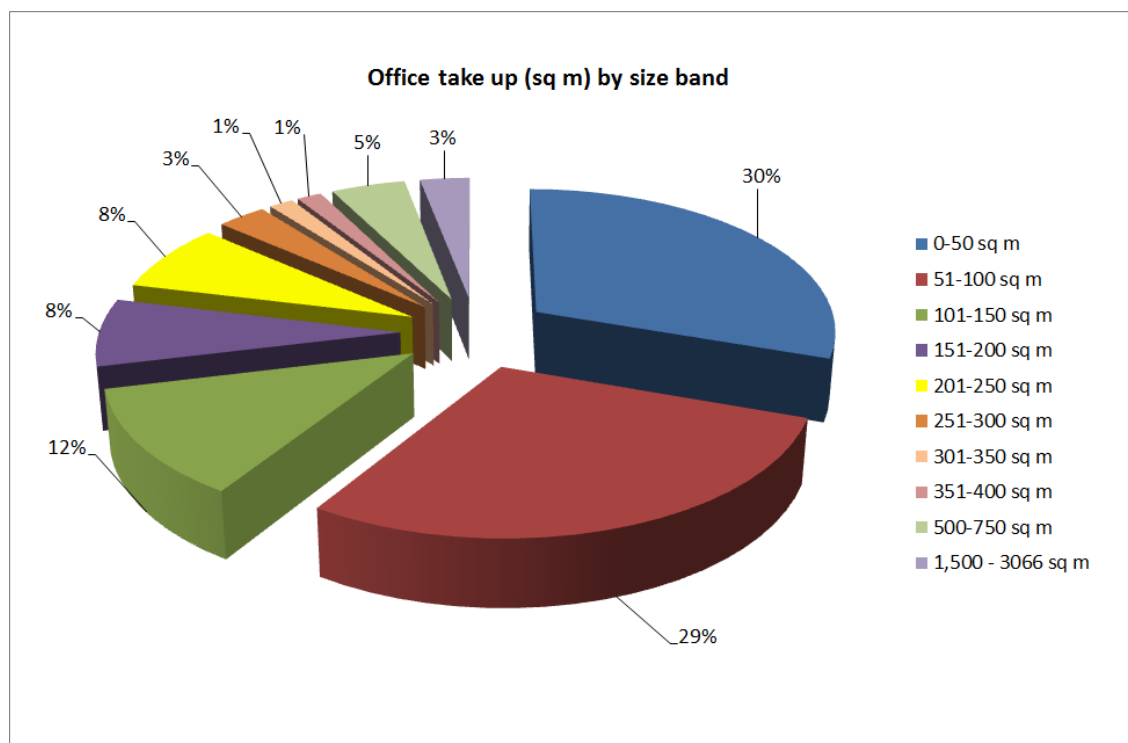
Take up has been higher in Bishop's Stortford at over 8,000 sq m, of which 23% is associated with office space let at Marriott Court in May 2013, a further 14% at Charringtons House (2009 and 2012) and over 9% at Dunmow Road. The majority of take up is for smaller sized deals; around 80% of lettings in the study area have been for deals up to 200 sq m as illustrated in Figure A2.6. The biggest deals completed have been at Stansted involving 3,066 sq m in 2008 at Hanger 7; 1,055 sq m at M11 Business Link; and 1,867 sq m at Marriott Court.

Figure A2.6 shows substantial take up of space in the 50 to 500 sq m bracket. Such space is likely to accommodate occupiers with 5 to 40 employees – small and medium sized firms. However local agents report a relative absence of space in the 50 to 460 sq m bracket. Given the characteristic of the Bishop's Stortford and Stansted economy is the presence of a large number of small and medium sized enterprises this may be a constraint on growth.

Overall, take up has been poor, falling over time since 2008, with an upturn in 2012 and 2013, with three of the larger spaces in the marketplace being let in 3 months, leaving little in the marketplace at the higher end of the scale.

Bishop's Stortford has experienced higher take up since 2008 than Stansted where over 67% of take up in Stansted occurred in 2008 alone. It is anticipated that the upturn towards the end of 2012 and into 2013 will continue with interest now being expressed in office floorspace that has been on the market sometime. However the lack of quality stock is perceived to be an issue that needs to be addressed.

Figure A2.6: Office Lettings (Take-Up) 2008- start 2013, Study Area



Source: Focus, 2013

Figure A2.7: Office (Letting) Take-Up 2008- start May 2013

	Bishop's Stortford		Stansted		Study Area	
	No. deals	sq m	No. deals	sq m	No. deals	sq m
2008	8	1,258	9	3,459	17	4,717
2009	10	2,129	0		10	2,129
2010	6	474	5	756	11	1,230
2011	10	862	1	332	11	1,194
2012	11	1,490	3	420	14	1,910
2013	2	1,879	1	175	3	2,054
	42	8,092	19	5,142	66	13,234

Source: Focus, 2013

One agent highlights a range of enquiries for office floorspace that they simply did not have the supply of space to satisfy the requirements. This agent states that there are around 5 medium sized professional firms seeking between 1,400 to 2,800 sq m of office floorspace in or around Bishop’s Stortford, with no current pipeline of supply to meet these requirements whether in the town centre or an edge of town location.

Occupier Preference Regarding Location

Agents find that potential tenants are open to considering both Bishop’s Stortford and Stansted as an office location, although there are tenants that require access to the airport, qualify to locate in premises that are subject to restrictions that limit occupiers to ‘airport related businesses’ and locate at the airport.

Bishop's Stortford town centre is recognised as a good office location in terms of its amenities such as restaurants, shops and ease of access to rail services into London. Other tenants prioritise proximity to the M11 and the national motorway network over amenities such as restaurants and shops, and hence seek an out of town location.

Take up of office floorspace at Stansted has been restricted by the airport user restriction and as such a number of prospective tenants have not been able to locate at the airport. Given this restriction the airport has a limited client base to draw from resulting in long term vacant property.

Conversely, some businesses that are related to the aviation industry tend to have a preference for the town centre location wanting to be part of a more mature and varied market place, thus choosing not to be at the airport.

It was also noted by agents that the airport is not a great place to work for professional and business staff that do not strictly need to be on-site. This reflects the security requirements, aircraft noise and the lack of any concentration of offices, support services and amenities.

Sales of Offices

There have been 15 sales of offices over the last five years involving 3,870 sq m of floorspace.

Figure A2.8: Office Sales 2008- start May 2013

	No. deals	Sq m	Average deal size in sq m
Study Area	15	3,869	257.9
Bishop's Stortford	10	2,428	242.8
Stansted	5	1,441	288.2

Source: Focus, May 2013

Rentals and Yields

Available data indicate that rents in Bishop's Stortford and Stansted fell to an average of around £12.00 per sq ft in 2009 and £13.00 per sq ft in 2011. In 2012 average rents were around £15.00 psf. Indications of actual transactions yield the following evidence:

- Charringtons House in 2012 achieved a rent of £17.50 psf
- For good quality office space, rents of £16.00 - £20.00 per sq ft have been achieved
- New or refurbished office space where rents have been disclosed rents reached £20.00 per sq ft at the M11 Business Link estate and The Marriott
- The Exchange achieved £11.89 and £14.00 psf
- For secondhand space, office rents range from £12.00 all the way up to £26.00 per sq ft

Average rents achieved tend to be slightly higher in Bishop's Stortford over the five year period since 2008 at £15.37 per sq ft in 2012 compared with £13.59 per sq ft in Stansted.

Discussion with agents suggest that average rents in Bishop's Stortford and Stansted have not changed hugely since 2008 and up to the beginning of May 2013 with good quality office space attracting rents of around £17.50 psf. However agents note that effective rents have fallen as landlords have made increasing use of incentive packages including free rent periods, capital fit out etc over the downturn period.

The Industrial and Warehouse Market

Overview

The industrial and warehouse market has been more resilient compared to the office market. The Bishop's Stortford and Stansted area has good road links compared with other key centres in East Hertfordshire. The marketplace is product and quality sensitive with the cheapest space taking longest to let. There are shortages of stock noted in the industrial sector with little above 930 sq m; smaller space has let quickly. Improvement in lease terms and significant reductions in incentive packages are being observed as the market picks up.

Stock of Industrial and Warehouse Floorspace

Bishop's Stortford and Stansted has approximately 341,000 sq m of industrial and warehouse floorspace according to the most recent data (2008) with a 45:55 split between industrial and warehouse space. Growth in industrial space has exceeded 9% over the five year period despite a decline in 2006/2007. Very probably this marked reduction between 2007 and 2008 reflects the introduction of rates on empty commercial property. In contrast warehousing floorspace fell by 4% during the same period.

Figure A2.9: Stock of Industrial & Warehouse Floorspace, 2005-2008 (000s sq m)

	2003	2004	2005	2006	2007	2008
Industrial						
Study Area	142	148	164	164	156	155
Bishop's Stortford	61	66	82	83	79	79
Stansted	81	82	82	81	77	76
Warehouse						
Study Area	194	189	177	179	191	186
Bishop's Stortford	97	93	81	81	89	88
Stansted	97	96	96	98	102	98
Industrial and Warehouse	336	337	341	343	347	341

Source: Commercial and Industrial Rateable Value Floorspace Statistics

Slightly more industrial stock is located in Bishop's Stortford than in Stansted. Industrial stock in Bishop's Stortford is scattered around the five wards, whilst in Stansted, 80% of industrial stock is located in Stansted South. Warehousing space is concentrated in Stansted South (43% of stock), Bishop's Stortford All Saints (20.4%) and Meads (13.4%).

Stock of Vacant Property

There is over 92,000 sq m of vacant industrial and warehouse floorspace in the study area representing about 27% of the stock of industrial and warehouse space recorded in 2008. Much of this is likely to be associated with older stock. Around 72% of vacant industrial and warehousing space is in Bishop's Stortford, with the remaining 28% in Stansted. Space in Bishop's Stortford is predominately secondhand, whereas all of the industrial and warehousing space in Stansted is secondhand. New or refurbished space in Bishop's Stortford is located at Raynham Road.

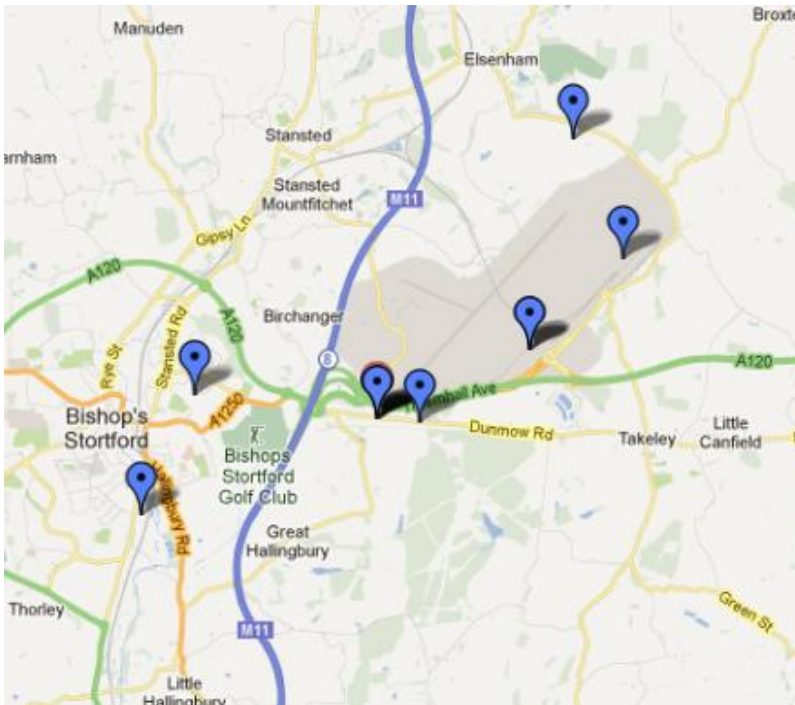
Over 45% of secondhand industrial and warehousing space in Bishop's Stortford is located at units on Pig Lane, a further 34% at units on Start Hill and over 20% at Raynham Road. Floorspace at Stansted relates to vacancies at Taylors End Road and has been empty for over 6 years due to the airport user restrictions that prevent an open market.

Figure A2.10: Total Vacant Industrial and Warehouse Floorspace, sq m, May 2013

	New or Refurbished	Secondhand	Total
Bishop Stortford	14,058	51,955	66,013
Stansted		26,162	26,162
Study area	14,058	78,117	92,175

Source: Focus, May 2013

Map A2.11: Location points of Vacant Industrial and Warehouse Floorspace in the Study Area



Source: Focus, May 2013

Take Up of Industrial and Warehouse Space

Since the start of 2008, some 31,180 sq m of industrial and warehouse space has been taken up as illustrated in Figure 12, representing an annual average take up of 6,100 sq m pa in industrial and warehousing space across the study area. This is higher than the average take up for 2000 to 2007 of around 5,685 sq m pa with a large take up concentrated in 2001 of over 23,200 sq m.

Figure A2.12: Industrial and Warehousing Lettings (Take-Up) 2008- start 2013

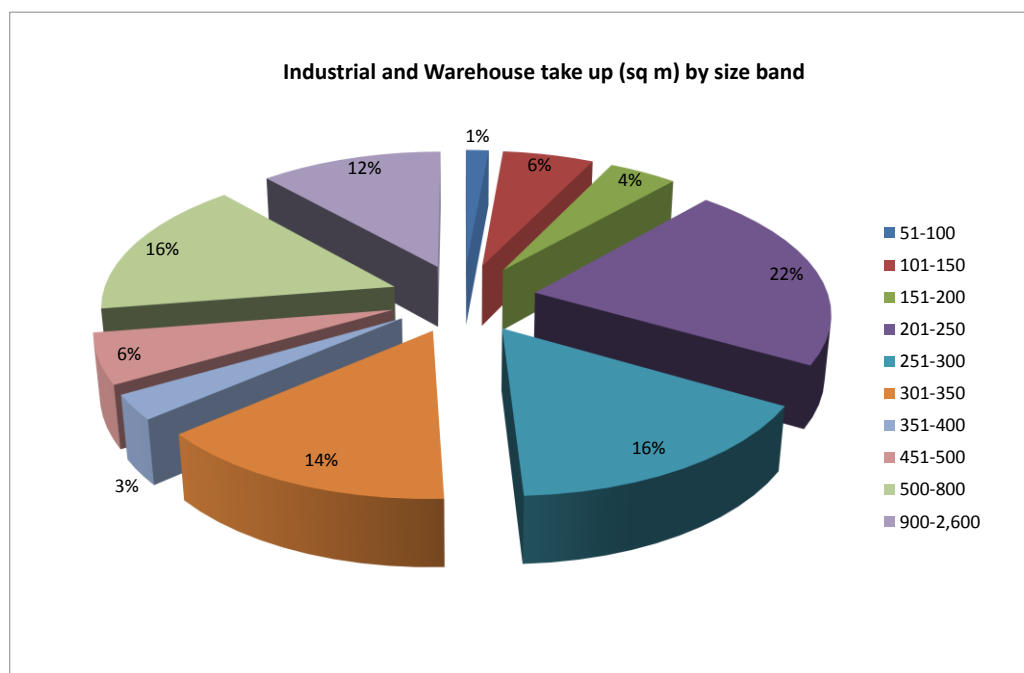
	No. deals	Sq m	Average deal size sq m	Average annual take up
Bishop's Stortford	52	22,322	429.3	4,326
Stansted	18	8,859	492.2	1,772
Study Area	70	31,181	445.4	6,098

Source: Focus, May 2013

Take up is higher in Bishop's Stortford. 7,254 sq m is attributable to take up at units in Dunmow Road and Raynham Road. 4,289 sq m of take up at Stansted was at Taylor's End at the airport and Forest Hall Road, to the south of Stansted Mountfitchet. Take up has been clustered around floorspace sized between the ranges of 201-350 sq m and 500-2,600 sq m accounting for around 52% and 27% respectively as illustrated in Figure 13.

The bigger deals have been completed at Woodside Industrial Estate, Dunmow Road, Bishop's Stortford, (2,538 sq m), Taylors End at Stansted Airport and Raynham Road, in Bishop's Stortford.

Figure A2.13: Industrial and Warehouse Lettings (Take-Up) 2008- start 2013



Source: Focus, May 2013

Broken down by year, lettings (take up) peaked in 2010 and 2011 in both Bishop's Stortford and Stansted as illustrated in Figure 14.

Figure A2.14: Industrial and Warehouse Lettings (Take-Up) 2008- start May 2013

	Bishop's Stortford		Stansted		Study Area	
	No. deals	sq m	No. deals	sq m	No. deals	sq m
2008	6	2,265	1	260	7	2,525
2009	7	1,837	2	895	9	2,732
2010	17	6,442	8	4,319	25	10,761
2011	10	7,824	2	1,985	12	9,809
2012	9	3,264	5	1,400	14	4,664
2013	3	690	0	-	3	690

Source: Focus, May 2013

One agent cited enquiries for 1,100-1,400 sq m to 2,000-2,800 sq m industrial and warehousing floorspace yet was found to be unable to satisfy any of these requirements. Occupiers looking for these sizes would generally have to look outside of the study area to Braintree or Harlow.

Sales of Industrial and Warehouse Space

There have been 20 sales of industrial and warehouse units over the last five years, accounting for to 3,764 sq m of space

Figure A2.15: Industrial and Warehouse Sales 2008- May 2013

	No. deals	Sq m	Average deal size in sq m
Study Area	20	75,271	3,764
Bishop's Stortford	4	3,617	904
Stansted	16	71,654	4,478

Source: Focus, May 2013

Rentals

In general rents have held firm, though there has been some downward pressure on rents of older properties. Average rents in the study area since 2008 and up to the beginning of May 2013 were around £6.80 per sq ft for industrial and warehouse floorspace. Rents on new or refurbished industrial and warehouse space where disclosed reached £8.50 per sq ft at the M11 Business Link.

For secondhand space, industrial and warehouse rents range from under £6.00 at sites such as Tywford Business Centre and Haslemere Industrial Estate to £9.50 per sq ft at Taylors End Road. Rents remained around £7.50 per sq ft in 2008, falling to £6.88 in 2010 and £5.80 in 2012.

Average rents achieved tend to be slightly lower in Bishop's Stortford over of the five year period at around £7.60 per sq ft in 2008 and £5.50 in 2012 compared with £10.00 and £5.80 respectively in Stansted.

Improvements in lease terms and significant reductions in incentive packages are being observed; 18 months ago, 3 years rent free on a 5 year deal was being offered; the same deal now is more likely to be 6 months rent free.

Employment Land Availability and Completions

The amount of new employment floorspace developed for employment use with use Class B in Bishop's Stortford is shown in Figure A2.16 for financial years 2001 to 2013 and is also presented in graphical form in Figure A2.17. It is not always possible to determine, from existing data, the breakdown between the B1 Business Uses. Where this data is available it has been separated out and the remaining information has been classed as 'B1'.

Figure A2.16 shows that over the 12 years to March 2013³ around 29,600 sq m of employment floorspace has been developed in Bishop's Stortford, of which nearly 46% was developed between 2001 and 2003. Over the period 2001 to 2013 average annual completions of gross additional employment floorspace has been almost 2,500 sq m pa. As is evident from Figure A2.17, the annual gross additional employment floorspace developed in each year has been very variable. It is worth noting that gross completions plummeted in 2007/08 and 2009/10.

Between 2001 and 2013 over 31% of floorspace developed is B1, with development occurring at the start and end of the period analysed, 2001 to 2003, 2008 to 2011 and 2012/2013. A further 30% of floorspace developed is B2 and over 11% B8. Of the 29,600 sq m of employment floorspace developed, 100% was on previously developed land.

³ Note that figures for 2012/13 are provisional and that the 2012-2013 Annual Monitoring Report has not yet been published.

Figure A2.16: Employment Floorspace Developed in Bishop's Stortford 2001 to 2013, Sq m

	B1	B1a	B1c	Mix of B uses	B2	B8	Total
FY 2001/02		311	2,539		2,230	2,115	7,195
FY 2002/03	499	290			5,495		6,284
FY 2003/04				1,618			1,618
FY 2004/05				2,539		621	3,160
FY 2005/06	631						631
FY 2006/07					616		616
FY 2007/08							0
FY 2008/09	119	380		961	295		1,755
FY 2009/10		27					27
FY 2010/11		732	217	1,131	217	216	2,513
FY 2011/12				1,841			1,841
FY 2012/13	213	3,332			213	213	3,971
Total	1,462	5,072	2,756	8,090	9,066	3,165	29,611
Average pa 2001-2013	366	845	1,378	1,618	1,511	791	2,468

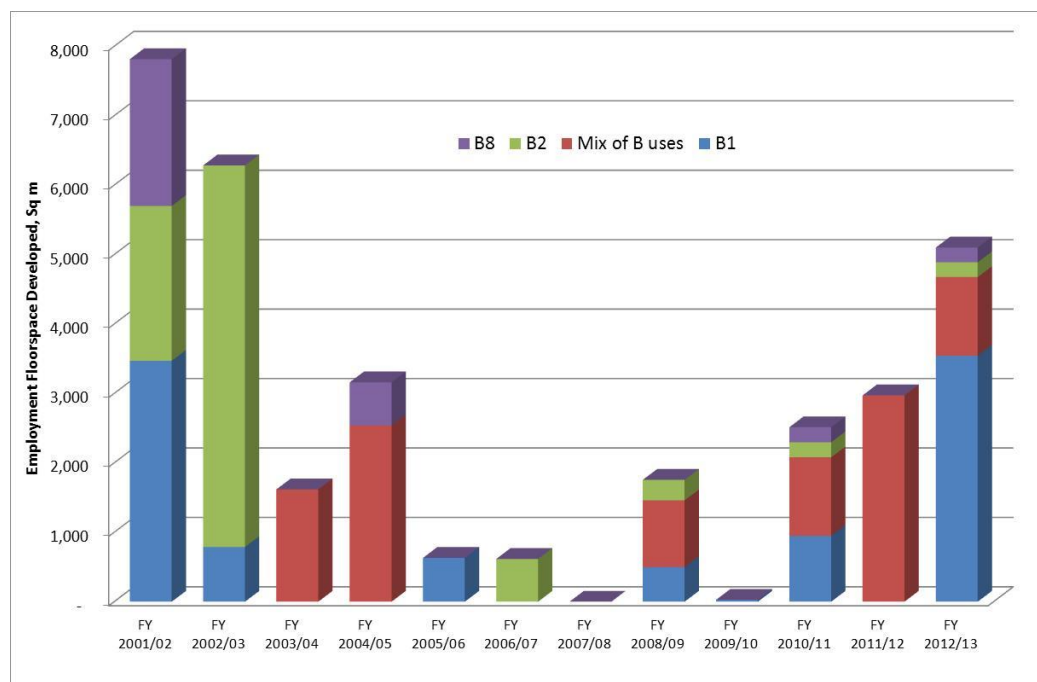
Source: East Hertfordshire Council

All data is specified as square metres and measurements are not confirmed as gross internal floorspace.

Figures for FY 2012/2013 are provisional.

In a number of instances floorspace has been developed outside Employment Areas and where this has been the case, it is predominately related to B1a uses. Development outside the Employment Areas occurred in 2001/02 (4% of development), 2002/03 (5%), 2008/09 (10%), 2010/11 (29%) and 2012/13 (9%).

Figure A2.17: Employment Floorspace Developed in Bishop's Stortford, 2001-2013, Sq m



Source: East Hertfordshire Council

All data is specified as square metres and measurements are not confirmed as gross internal floorspace.

Figures for FY 2012/2013 are provisional.

The total land available for employment use by B class type is defined as i) sites defined and allocated in the Adopted Local Plan, and ii) sites for which planning permission has been granted (including those within allocated Employment Areas). Figure A2.18 shows that there is over 17,000 sq m of land available for employment uses in Bishop's Stortford, the majority of which have permissions for B1 use.

Figure A2.18: Employment Land with Permissions in Bishop's Stortford, 2012-2013, Sq m

	Employment Land with Permissions	Completed	Outstanding
Mix of B uses	3,056	1,131	1,925
B1	5,537	213	5,324
B1a	11,250	3,332	7,918
B2	2,189	213	1,684
B8	533	213	320
Total	22,565	5,102	17,171

Source: East Hertfordshire Council

All data is specified as square metres and measurements are not confirmed as gross internal floorspace.

Figures for FY 2012/2013 are provisional.

In total, 3.44 hectares of employment land (completed sites of B Class use) were lost between 2001 and 2013, of which the majority (2.37 hectares) were lost to residential uses. Figure A2.19 also shows that 1.88 ha of employment land lost was designated as Employment Areas.

Table A2.19: Total Employment Land Lost, 2001-2013

Total employment land lost to other uses	Sq m
In Bishop's Stortford area	3.44
In employment land areas	1.88
Total employment land lost to residential	Sq m
Total	2.37

Source: East Hertfordshire Council

All data is specified as square metres and measurements are not confirmed as gross internal floorspace.

Figures for FY 2012/2013 are provisional.

Appendix 3: Extract from East Hertfordshire Employment Land Review Update: Assessment of Industrial Estates in Bishop's Stortford

Employment Estates in Bishop's Stortford

This Appendix reproduces the assessment contained in the East Hertfordshire Employment Land Review Update 2013, Part 1 and provides information regarding employment estates in Bishop's Stortford. This review updates the Employment Land and Policy Review published by the Council in 2008. The Update remains unpublished at this stage apart from the extract now produced here. The assessment findings on each employment estate derived from the Employment Land Review 2013 are also presented.

Bishop's Stortford

Both the DTZ report and local agents confirm that Bishop's Stortford is East Hert's most important employment location due to its proximity to the M11 and Stansted Airport although the distinction is made between employment areas close to M11 Junction 8 and those closer to the town centre. In terms of the employment estates within the town, the majority of the assessments undertaken in 2008 by Halcrow are still considered relevant.

Goodliffe Park, Stort Valley Industrial Estate, Southmill Trading Centre, Stortford Hall Industrial Park, and the Woodside Industrial Estate score highly due to their good quality buildings and layout. Further business units at Woodside are expected to be constructed in 2013. The Birchanger Industrial Estate is older with some circulation and parking issues but again scores green due to its good location; while not the most attractive area, it works.

The Haslemere Estate was not reviewed by Halcrow but comprises a relatively modern estate offering good quality units and site layout. However vacancy rates are high and it suffers from poor location on the 'wrong' side of the town and poor signing from the main road network. The review indicates the Estate should be retained for employment use and better signing provided. The town centre site comprising the Flour Mill, Stonemasons Yard and former Sheppard's Garage was also absent from the Halcrow ELR study but the review identifies an opportunity for redevelopment to support the economic well-being of the town centre.

Twyford Road was treated by Halcrow as a single estate – however it comprises two distinct areas – the older (but well occupied) Twyford Industrial Estate and the more modern (circa 1985) Twyford Business Centre. Poor access is the main issue and the relatively low rents achieved (£6-£7 ft sq) reflect the level of demand. In the longer term, the Review recommends opportunities should be explored to redevelop the area and replace the employment floorspace in a better location.

The Millside Estate is also well-occupied but contains poor quality buildings – again replacement of the floorspace could be considered but in a better location.

Figure A3.1 East Herts Employment Land Review Update: Assessment of Industrial Estates in Bishop's Stortford

<u>Estate</u>	<u>Settlement</u>	<u>Halcrow 2008</u>	<u>EHDC 2013</u>	<u>Comments</u>	<u>Opportunities for enhancement</u>
Goodliffe Park,	Bishop's Stortford	Green	Green	Good quality Estate, good location	N/A
Stort Valley Industrial Estate	Bishop's Stortford	Green	Green	As above	N/A
Birchanger Industrial Estate	Bishop's Stortford	Green	Green	Good location but mixed quality	N/A
Millside Estate	Bishop's Stortford	Green	Amber	Poor location and quality	N/A
Southmill Trading Centre	Bishop's Stortford	Green	Green	Good quality and popular estate	N/A
Stortford Hall Industrial Park,	Bishop's Stortford	Green	Green	Good quality Estate, good location	N/A
Woodside Industrial Estate	Bishop's Stortford	Green	Green	As above	N/A
Twyford Road	Bishop's Stortford	Amber	Amber	Poor location and mixed quality	N/A
Haslemere Estate	Bishop's Stortford	N/A	Green	Not included by Halcrow in 2008	Signing from London Road
Mill site, Stonemasons Yard and former Sheppard's garage, Dane Street	Bishops Stortford	N/A	Amber	Major town centre employment site now partly vacant	Redevelopment opportunity to support the economy of the town centre

The most significant employment area in Bishop's Stortford is at Raynham Road. This was treated by Halcrow as two areas - Raynham Road (rated Amber) and The Links Business Centre (Rated Green) but it is essentially made up of four distinct areas each with different characteristics but together sharing the same problems of access and image. For the purpose of the ELR Update, they have been treated as follows:

<u>Estate</u>	<u>Settlement</u>	<u>Halcrow 2008</u>	<u>EHDC 2013</u>	<u>Comments</u>	<u>Opportunities for enhancement</u>
Raynham Road (East)	Bishop's Stortford	N/A	Amber	Mixed quality and parking issues	Access and signage
Raynham Road (West)	Bishop's Stortford	N/A	Green	At extreme western end of Raynham Road	As above
Raynham Close/Myson Way	Bishop's Stortford	N/A	Green	Good quality units mostly in use.	As above
The Links Business Centre	Bishop's Stortford	Green	Green	Good quality small units	As above

Three of the four areas are rated green and it should be noted that the owners of the area described as Raynham Road West (Howard Property Trust) are progressively redeveloping poor quality industrial units with new 'trade/industrial/warehouse' units.

The main issue with the whole Raynham Road area lie close to its junction with Dunmow Road where excessive parking associated with Hilton Coachworks (a highly congested site) spills out onto Raynham Road resulting in a cluttered environment and sometimes difficulties for larger vehicles accessing units to the west. Given the DTZ comments regarding the advantages of location close to Junction 8 and the Airport, it is recommended that improvements to access and parking be investigated and that the area be retained for employment use. For the purposes of this Review, it is rated Green.

The costs of improving the junction with Dunmow Road could cost between £150,000 - £300,000 excluding land acquisition. The land in question forms part of the detached playing field to Birchwood School and the agreement of both the school and HCC would be required.