

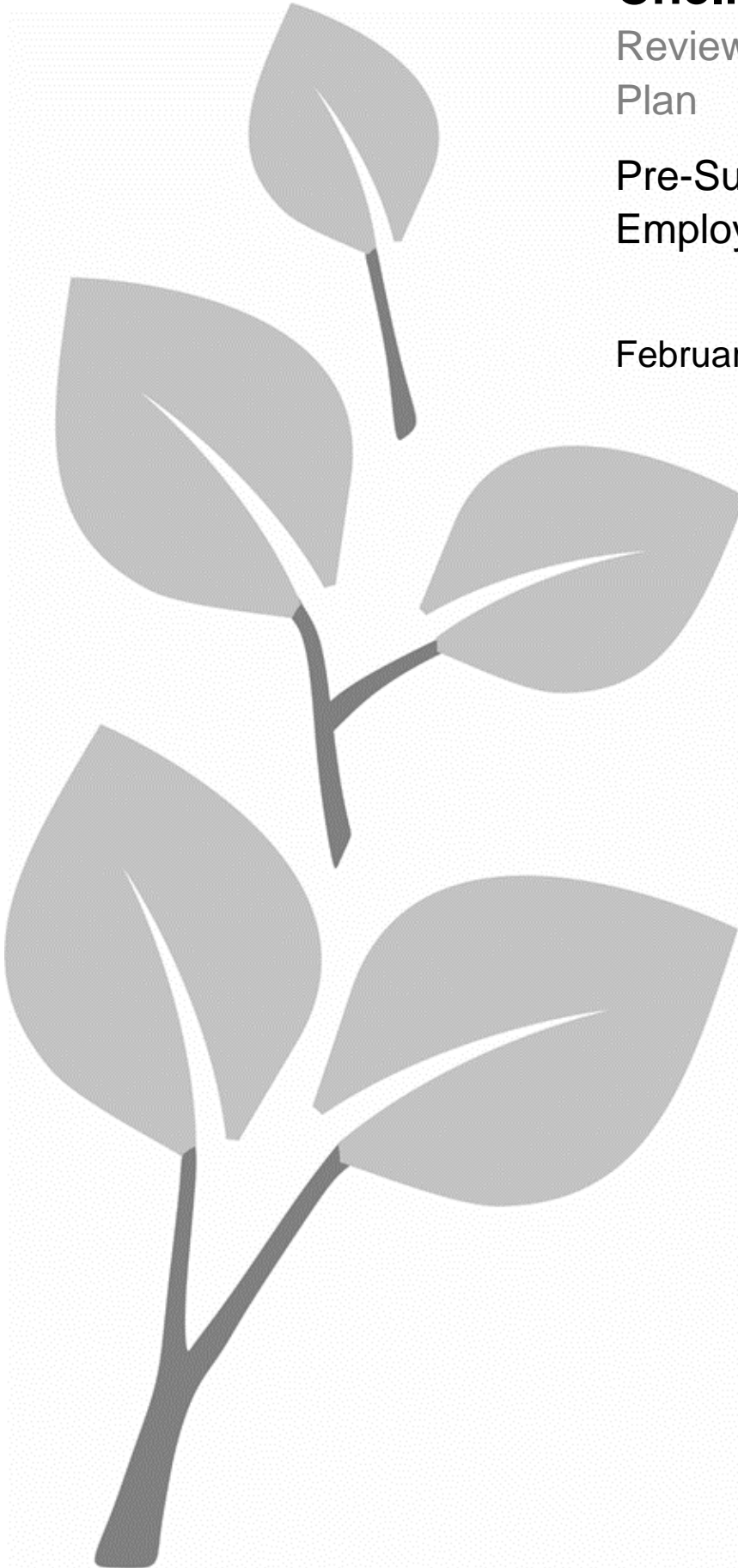
TP006

Chelmsford Local Plan

Review of the adopted Local
Plan

Pre-Submission (Regulation 19)
Employment Topic Paper

February 2025



1. Purpose

- 1.1. This Topic Paper is one of a number produced by Chelmsford City Council to set out how the review of the Local Plan has been developed. Topic papers have been refreshed and updated at each stage of the Local Plan Review process to ensure the latest information/position is available. The previous Employment Issues and Options and Preferred Options Topic Papers are given in Appendix 1. As such, this topic paper supersedes previous versions.
- 1.2. The intention of the topic papers is to provide background information; they do not contain any policies, proposals or site allocations. Topic papers form part of the Local Plan evidence base which will be submitted alongside the Local Plan for independent examination.
- 1.3. This paper covers employment and promoting a prosperous economy including national planning policies and guidance and the employment evidence base.
- 1.4. The Topic Paper provides background information and context of how the Pre-Submission Local Plan has been formulated. This Topic Paper should be read alongside the other Pre-Submission Topic Papers, including Spatial Strategy and Strategic Sites and Housing.
- 1.5. The main issues covered by this Topic Paper are:
 - Strategic Policy S6 – Housing and Employment requirements, including retail
 - Strategic Policy S7 – The Spatial Strategy including employment supply
 - Strategic Policy S8 – Delivering Economic Growth, and
 - Relevant Development Management Policies related to employment and retail.

2. Background

- 2.1. The economic vitality of Chelmsford and the success of its businesses are fundamental to improving the prosperity and quality of life of local residents.
- 2.2. Chelmsford's economy and employment base is strong and continues to grow in line with its role as a regional administrative and commercial centre. Chelmsford supports around 87,000 jobs – the highest of any district in Essex and there are around 9,300 businesses. The economy of Chelmsford is mixed with high numbers of jobs in the retail sector, social and health work sector, professional and scientific sector and the administration support sector. The Essex Sector Development Strategy (2022) identifies growing employment sectors that are set to create new jobs over the next 30 years including construction, clean energy, advanced manufacturing and engineering, digi-tech, life sciences, and health and care, and professional and support sectors.
- 2.3. Unemployment is low in Chelmsford, which also has a higher proportion of managerial and professional workers compared to regional and national averages. However, Chelmsford does have a skills shortage in some sectors including healthcare, and some workers are unable to afford homes close to work. This creates additional pressure to make sure that

adequate provision is made for housing in line with Chelmsford's role as a regional and sub-regional centre.

- 2.4. Over 50% of Chelmsford's working population both live and work in Chelmsford. Around 20% of workers commute to London. Other popular destinations for Chelmsford residents to work are Basildon, Maldon, Brentwood and Braintree, where some 16% commute to work. Around 36% of Chelmsford's workforce lives outside the area with significant commuting across North Essex, with over 13,000 people commuting from Braintree, Colchester and Maldon each day to work in Chelmsford. This reflects the functional economic geography which Chelmsford shares with Braintree, Maldon and Colchester districts. Inward and outward commuting flows are shown in Figure 5, using the non-covid affected data from 2011. (use text from PO TP and amend as appropriate).
- 2.5. Chelmsford currently has a large number of employment areas. The key larger sites include Chelmsford and Springfield Business Parks, Dukes Park Industrial Estate, Widford Industrial Estate and Waterhouse Business Park in Chelmsford as well as Eastern Industrial Estate in South Woodham Ferrers. There are also a number of smaller employment areas such as Beehive Lane Industrial Area and Winsford Way in Chelmsford, and Royal British Legion Trading Estate, Danbury, as well as a wide range of Rural Employment Areas.
- 2.6. Planning permission has been granted for a 40,000 sqm floorspace business park in North-East Chelmsford at the Beaulieu development. Masterplans for new employment development as part of Strategic Growth Sites 3b East Chelmsford and 6 North-East Chelmsford (Chelmsford Garden Community) have also been approved which together will deliver over 60,000sqm of new employment floorspace. Strategic Growth Sites 10 to the north of South Woodham Ferrers also has a resolution to grant planning permission subject to a S106 Agreement (Ref: 21/01961/OUT and 22/00311/OUT) for around 1,200sqm of new business floorspace.
- 2.7. Whilst the worst impacts of COVID 19 are now considered in the past, there has been impact on the local economy. There are also macro factors that are driving business decisions – operational costs, utility costs, having too much space for hybrid working etc. A number of businesses have closed, although there have been no major economic shocks or losses. However, businesses are changing how they operate, and we are seeing larger office spaces contract and higher demand for co-working office space of high quality on flexible terms.
- 2.8. City Centre retail is also contracting, and we know that our city centre will need to adapt to the changing demands and needs of customers. The review of the adopted Local Plan addresses the need for a flexible approach to employment space provision in an evolving global, national and local economy. Given national and local economic factors, a review of employment land provision has been undertaken as part of the review of the adopted Local Plan. This will ensure that the Local Plan will provide sufficient flexibility to meet the Council's wider economic vision over the plan period to 2041.

3. Pre-Submission

Policy Context

- 3.1. All policies in the Local Plan must be positively prepared, justified, effective and consistent with national policy. The National Planning Policy Framework (NPPF) sets out the overarching planning policy framework, supported by the National Planning Practice Guidance (PPG).
- 3.2. The adopted Local Plan was examined under the 2012 National Planning Policy Framework (NPPF). There have subsequently been updates to the NPPF and the Review of the Local Plan Pre-Submission Local Plan has been considered against the requirements of more recent national planning policy and guidance including the December 2023 NPPF.
- 3.3. The revised [National Planning Policy Framework \(NPPF\) published on 12 December 2024](#) provides transitional arrangements for Councils that are well advanced with plan preparation under the previous system. The content and timetable of the Pre-Submission Local Plan can comply with these transitional arrangements. This means that the Pre-Submission Local Plan would be examined under the December 2023 NPPF. Further detail on these key changes for consideration are set out in the table below, included under the section 'Local Plan Approach'.

National Policy Guidance

- 3.4. Chapter 6 of the December 2023 NPPF (Building a strong, competitive economy) states that planning policies should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development. The approach taken should allow each area to build on its strengths, counter any weaknesses and address the challenges of the future. (Paragraph 85). It goes on to state that planning policies should:
 - Set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth having regard to Local Industrial Strategies and other local policies for economic development and regeneration
 - Set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period
 - Seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment
 - Be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices (such as live-work accommodation), and enable a rapid response to changes in economic circumstances
 - Recognise and address the specific locational requirements of different sectors including for storage and distribution
 - Enable the sustainable growth and expansion of all types of business in rural areas, and

- Recognise that sites to meet local business and community needs in rural areas may have to be found adjacent to or beyond existing settlements. (Paragraphs 86-89).
- 3.5. The Plan-making part of the Planning Practice Guidance (PPG) stresses the need for a clear understanding of business requirements in their area in order to assess:
- The need for land or floorspace for economic development, including both the quantitative and qualitative needs for all foreseeable types of economic activity over the plan period, including for retail and leisure development
 - The existing and future supply of land available for economic development and its suitability to meet the identified needs. (Paragraph: 041 Reference ID: 61- 041-20190315).
- 3.6. New national Permitted Development Rights introduced in 2020 allow for the change of use of some offices and employment premises to dwellings and other uses including shops, without the need for a planning application. Amendments to the Use Class Order also allow greater flexibility to change uses within high streets and town centres. As a result, changes to existing policies will be required, including the approach of protecting retail and employment uses, although this will follow the consideration of further evidence gathering and consultation feedback.
- 3.7. All relevant national planning policy and guidance have been considered in the Regulation 19 Pre-Submission Local Plan.

Local Policy

Current policy

- 3.8. The adopted Local Plan supports and encourages local economic development by allocating new sites for employment uses, protecting existing employment sites from other competing uses and encouraging the growth of the rural economy. It concentrates large new scale employment development sites as part of strategic new development sites on the edge of Chelmsford Urban Area at Beaulieu, Sandon and Chelmsford Garden Community.
- 3.9. The current plan also identifies growing employment sectors that are set to create new jobs over the next 20 years (Strategic Policy S8). It further seeks to maintain and enhance the vitality of our city, town and local centres (Strategic Policy S12).
- 3.10. Other current Local Plan policies that relate to this topic include:
- S6 – Housing and Employment Requirements, and
 - Policy DM4 – Employment Areas and Rural Employment Areas.
- 3.11. And relevant site allocation policies including:

- Strategic Growth Site Policy 3b - East Chelmsford – Land North of Maldon Road (Employment) – allocates around 5,000sqm of new Use Class B1 floorspace, or other appropriate B Use Classes
- Strategic Growth Site Policy 6 – North-East Chelmsford – includes the provision of 45,000sqm of floorspace in a new office/business park providing a range of unit sizes and types, and
- Special Policy Areas SPA1-6 - enables the operational and functional requirements of these facilities or institutions to be planned in a strategic and phased manner.

3.12. The review of the adopted Local Plan will continue to have an important role in driving and supporting sustainable economic development to deliver jobs and in maintaining a prosperous and balanced local economy.

3.13. In addition to changes in national planning policy and legislation, the review of the adopted Local Plan has considered the achievability and effectiveness of employment policies in decision making in the adopted Local Plan (2020), the new corporate priorities and strategies of the Council and other relevant plans and guidance. This includes:

- Policy performance issues identified through the latest published [Authority Monitoring Report](#). Relevant policies include S6 Housing and Employment Requirements, S7 The Spatial Strategy and S8 Delivering Economic Growth. The latest AMR does not identify any policy implementation issues
- The Council's [Our Chelmsford Our Plan](#) was updated in 2023. Strategy priorities include to promote the area as a place for investment and as a business location, encouraging the creation of a wider range of jobs and excellence in education, skills and vocational attainment, thereby improving income equality
- [The Essex Sector Development Report Autumn 2023](#) produced by Essex County Council. This aims to shape a vision for the future economy for Greater Essex. It has three priorities: a thriving economy, an economy for everyone and an economy fit for the future. It sets out the case for growth, the engines of growth and how change can be delivered.

Duty to Co-operate

3.14. The Council is committed to co-operating with other bodies on strategic planning matters. The Duty to Co-operate Strategy was reviewed and adopted in January 2022.

3.15. The Council has made every effort to seek co-operation on cross-boundary and strategic planning matters in a focused, positive and structured way. These discussions have helped to formulate the Pre-Submission plan, and we will continue to engage positively with the prescribed bodies as the plan progresses and, on its implementation, once adopted.

3.16. We will also continue to work constructively with nearby planning authorities on their own local plan preparation. Early engagement and demonstrating co-operation both with neighbours and the prescribed bodies through Statements of Common Ground are key to meeting the legal duty to co-operate.

3.17. The strategic matters for the Review of the Adopted Local Plan are identified as follows:

- Delivering homes for all including Gypsy and Traveller accommodation
- Jobs and economy including green employment and regeneration
- Retail, leisure, and cultural development
- Sustainable transport, highways and active travel
- Climate change action and mitigation including flood risk and zero carbon
- Natural and historic environment including increased biodiversity and green/blue/wild spaces and connectivity of ecological networks
- Community infrastructure including education, health and community facilities
- Utility infrastructure including communications, waste, water and energy
- London Stansted Airport future airspace redesign.

3.18. In some cases, discussion on strategic matters will continue through existing joint working arrangements. We will also arrange further joint Officer and Member meetings, technical stakeholder meetings and keep Statements of Common Ground up to date as the plan progresses. Details of ongoing activity is contained in the Duty to Co-operate Position Statement (December 2024), available at www.chelmsford.gov.uk/lp-review.

3.19. Comments to the Preferred Options consultation were received from 17 Duty to Co-operate bodies and specific consultees including neighbouring LPAs, Essex County Council (ECC), Historic England, Environment Agency, Highways England, and the Mid and South Essex Integrated Care Board.

3.20. Comments were mainly supportive of the key Plan elements including the Vision, Strategic Priorities, Spatial Principles, Spatial Strategy, and Development Management policies. Detailed comments have influenced amendments to the Pre-Submission Local Plan including in relation to accessible greenspace and natural habitats, addressing recreational pressure on Sites of Special Scientific Interest, water efficiency targets, and changes for consistency and clarity.

3.21. The following issues raised by key bodies to the Preferred Options Consultation Document have been considered in formulating the policy approach towards employment:

- Essex County Council suggested that the Plan should seek to match employment growth and skills capacity to housing growth in Strategic Policy S6 and that more information be added in relation to employment delivery in the site policies for Strategic Growth Sites 6 (North-East Garden Community) and 16a (East Chelmsford Garden Community). They also made comments in relation to an appropriate mix of uses to reflect market need in Strategic Policy S8. Following further engagement with Essex County Council a signed Statement of Common Ground (SOCG006) sets out there are no areas without agreement or unresolved strategic matters, including traffic issues
- Basildon District Council supported the approach to future employment requirements that has been taken to date in Strategic Policy S6. They also suggested that CCC may wish to make DM4 clearer in relation to the redevelopment of existing employment areas and to provide some general clarity on how the overall employment floorspace allocations relate to the aims of building above standard

method, and whether it is considered to keep job and housing growth balanced. Following further engagement with Basildon District Council a signed Statement of Common Ground is being prepared

- Castle Point Borough Council requested consideration be given in the Plan to Thames Freeport infrastructure project which could generate a substantial level of economic activity driving the need for labour and employment floorspace across the wider area and require joint working. Following further engagement with Castle Point Borough Council a signed Statement of Common Ground is being prepared.

Integrated Impact Assessment

3.22. The Council is carrying out an ongoing Integrated Impact Assessment (IIA) as the Review of the Local Plan develops.

3.23. The IIA will assess the following aspects of sustainable development:

- Sustainability Appraisal (SA)
- Strategic Environmental Assessment (SEA)
- Habitats Regulations Assessment (HRA)
- Health Impact Assessment (HIA)
- Equality Impact Assessment (EqIA)

3.24. The SA, SEA and HRA are a requirement of national policy. The HIA and EqIA are voluntary, but the Council believes they will help to provide a complete picture of the sustainability of the Review of the Adopted Local Plan.

SA/SEA

3.25. The IIA identifies the key sustainability issues for the Review of the Local Plan, which feed into a framework against which proposals are assessed. It covers the potential environmental, social, economic and health performance of the Local Plan and any reasonable alternatives. It has been used at each stage of the Review, and been subject to separate consultation, as follows:

- Scoping Report
- Issues and Options
- Preferred Options
- Pre-Submission – Current Stage
- Adoption.

3.26. The key sustainability issues and Appraisal Framework Objectives relating to this Topic Paper are:

Key sustainability issue	Appraisal Framework Objective
Population and community	3. Economy, Skills and Employment: To achieve a strong and stable economy

	<p>which offers rewarding and well located employment opportunities to everyone.</p> <p>4. Sustainable Living and Revitalisation: To promote urban renaissance and support the vitality of rural centres, tackle deprivation and promote sustainable living.</p>
Health and wellbeing	<p>5. Health and Wellbeing: To improve the health and wellbeing of those living and working in the Chelmsford City area.</p>

- 3.27. Chapter 7 of the Pre-Submission IIA presents the appraisal of the cumulative effects of the Pre-Submission Local Plan. The appraisal (Table 7.1) highlights that the majority of the IIA objectives will experience positive effects as a result of the implementation of the policies and proposals contained in the Pre-Submission Local Plan.
- 3.28. In relation to IIA Objective 3 (Economy, Skills and Employment) the Pre-Submission IIA finds that the provision of a minimum of 162,646 sqm of employment floorspace over the plan period is expected to help maintain and enhance Chelmsford's strategic economic role in the Heart of Essex sub-region, supporting existing businesses, attracting inward investment and facilitating economic diversification. Jobs growth would, in-turn, increase the amount of money spent in the local economy and there may also be supply chain benefits associated with new businesses. Through the proposed site allocations and Local Plan policies, it is expected that this provision will help to support the creation of accessible employment opportunities that will benefit the City Area's communities. The IIA also finds that the policies of the Pre-Submission Local Plan including the development requirements related to specific site allocations will help to ensure that there is sufficient investment in educational facilities to accommodate future growth and that links with the two university campuses are capitalised upon. Overall, the Pre-Submission Local Plan has been assessed as having a cumulative significant positive effect on Objective 3 (Economy, Skills and Employment).
- 3.29. In relation to Objective 4 (Sustainable Living and Revitalisation) the Pre-Submission IIA finds that by growth in and adjacent to the Chelmsford Urban Area, to the North of South Woodham Ferrers and at Key Service and Service Settlements, allied with the provision of community facilities, services and employment land on many of the proposed site allocations, that this will help to ensure that new development is accessible to key services, facilities and employment opportunities, stimulates urban regeneration, tackles deprivation and promotes community inclusion. Whilst it notes that growth could place pressure on existing services, facilities and infrastructure, the proposed Local Plan policies including site specific development requirements are expected to help mitigate any such effects through, for example, protecting existing facilities and infrastructure. The Special Policy Areas (SPAs) designations including Broomfield Hospital and ARU Writtle are also expected to support the continued growth and expansion of these institutions, generating benefits in terms of continued access to services and facilities. Overall, the Spatial Strategy has been assessed as having a cumulative significant positive effect on Objective 4 (Sustainable Living and Revitalisation).

- 3.30. In relation to IIA Objective 5 (Health and Wellbeing) the Pre-Submission IIA notes that focusing the majority of new residential and employment development in and adjacent to the Chelmsford Urban Area and to the North of South Woodham Ferrers, promoting mixed used schemes and the adoption of Garden Community principles at strategic sites are together likely to encourage walking/cycling as services and employment opportunities would be physically accessible. Allied with proposed improvements to highway circulation, public transport and walking and cycling as well as the protection of existing green infrastructure including open space and recreational facilities and new provision, this is expected to generate a positive effect in relation to the promotion of healthy lifestyles. In light of this, overall, the Pre-Submission Local Plan has been assessed as having a cumulative significant positive effect on IIA Objective 5 (Health and Wellbeing).
- 3.31. Section 5 and Appendix H of the IIA Report assesses Local Plan policies. Findings in relation to IIA Objectives 3 (Economy, Skills and Employment), 4 (Sustainable Living and Revitalisation) and 5 (Health and Wellbeing) include:
- The Strategic Priorities are considered to be supportive of all three objectives, in particular objective 5
 - The Housing Requirement could have significant positive sustainability effects on objective 3 by helping to stimulate economic growth through the provision of a workforce as well as consumers
 - The Employment Land Requirement is likely to have a significant positive sustainability effect on objective 3 as the provision of employment land will support economic growth across Chelmsford, delivering deliver jobs and supporting regeneration and investment
 - The Spatial Strategy is likely to have significant positive sustainability effects on objective 3 and 5 as the provision of employment land will support economic growth across Chelmsford, delivering deliver jobs and supporting regeneration and investment and through the provision of more and a wider range of services associated with population growth
 - Strategic Policy S8 (Delivering Economic Growth) and Policy DM4 (Employment Areas and Rural Employment Areas) have been assessed as having a significant positive effect on objectives 3 and 4 and positive effect on objective 5.
- 3.32. Section 6 of the Pre-Submission IIA considers alternative Spatial Strategy options including higher and lower levels of employment floorspace development requirements. This analysis demonstrates that overall, the alternatives perform no better, and in many instances worse than the Spatial Strategy. Please see the Pre-Submission Spatial Strategy and Strategic Sites Topic Paper for more details.
- 3.33. Chapter 8 of the Pre-Submission IIA includes recommendations for Local Plan content and implementation and suggests measures to be considered by Council as part of the further refinement of the Local Plan prior to its publication for Examination. This includes recommendation 10 - Monitoring the balance between housing and jobs provision in order to maintain a balance between in- and out-commuting to the City area, and consequently the aspiration for long-term sustainability in terms of a reasonable degree of self-containment.

EqIA

- 3.34. EqIA results suggest that policies will help to secure development that will contribute to a range of positive effects across the topics considered in the EqIA (notably in relation to housing, service, employment and greenspace provision) and no recommendations for changes or additions to policy are identified at this stage.

HIA

- 3.35. The HIA results suggest that policies will help to secure development that will contribute to a range of positive effects across the topics considered in the HIA and no recommendations for changes or additions to policy are identified at this stage.

HRA

- 3.36. Overall, the HRA has concluded that most aspects of the plan will have no significant effects on any European sites, alone or in combination due to the absence of effect pathways. Appropriate assessments have been undertaken for those aspects where effect pathways are present (in combination water quality, air quality and visitor pressure effects, and effects on species away from the sites), taking into account specific and cross-cutting policy-based mitigation and avoidance measures that have been incorporated into the plan. These appropriate assessments have employed additional analyses and data to resolve uncertainties present at the initial screening, and have concluded that (as currently drafted) the Pre-Submission draft Local Plan will have no adverse effects on the integrity of any European sites, alone or in combination.

Evidence base

- 3.37. In accordance with the requirements of the NPPF, policies and their requirements should be based on up-to-date evidence.
- 3.38. In addition to the IIA, the following documents are of particular relevance to employment and support the review of the Adopted Local Plan. Evidence base documents are available online via www.chelmsford.gov.uk/lp-review

Document	Summary
Employment Land Review, Lichfield, 2023	This study considers economic trends and future requirements for new employment floorspace up to 2041. It also proposes some recommendations for employment policies in the review plan. The review has informed the Spatial Strategy and employment policies in the plan – see further details below.
Employment Land Review Focused Update 2024	A provide updated economic evidence specifically to inform the approach to economic growth and employment. The updated employment floorspace requirement forecasts have informed Strategic Policy S6. It draws on the most up-to-date assumptions and data regarding future economic growth prospects for Chelmsford between 2022 and 2041 – see further details below.

Document	Summary
AH001: Chelmsford Strategic Housing Needs Assessment	This report focusses on overall housing need, including consideration of the Standard Method projection which was used to look at potential changes to the resident labour supply and the number of additional jobs that might be supported.
Chelmsford Strategic Housing Needs Assessment Addendum (November 2024)	A partial update to the 2023 Strategic Housing Needs Assessment to review the implications of moving from housing delivery at the standard method output of 955 dwelling per annum to a figure of 1,206 dwellings per annum.
SHELAA Autumn 2024	The Strategic Housing and Employment Land Availability Assessment includes several different documents that explain the methodology and assessment criteria used, as well of the assessment outputs of each site.
Authority Monitoring Report (April 2023-March 2024)	A report monitoring the production of the Council's Local Plan Documents against the Local Development Scheme and the performance and effectiveness of the Council's planning policies in delivering the key objectives of the Local Plan.
OSP003: Pre-Submission Local Plan Form and Contents Checklist February 2025	Compares the Pre-Submission Local Plan against key requirements of the December 2023 NPPF.
IIA001 Integrated Impact Assessment Scoping Report 2022 IIA002: Integrated Impact Assessment Issues and Options 2022 IIA005: Integrated Impact Assessment Preferred Options (May 2024)	The Integrated Impact Assessment (IIA) brings together a Sustainability Appraisal (SA), a Strategic Environmental Assessment (SEA), a Health Impact Assessment (HIA), an Equalities Impact Assessment (EqIA) and a Habitats Regulations Assessment (HRA) to assess the socio-economic and environmental effects of the Local Plan. The first stage of the IIA process involved consultation on a Scoping Report. The Scoping Report set out the proposed approach to the assessment of the Review of the Adopted Local Plan. The Issues and Options stage and the Preferred Options stage of the Local Plan were both subject to public consultation and accompanied by IIA Reports. The findings of the IIA Reports, together with consultation responses and other evidence base work, have been used to help refine the preferred approach to be taken forward as part of the Review of the Adopted Local Plan.
IIA004: Integrated Impact Assessment Feedback Report Issues and Options 2023	This report provides a record of the responses received to the IIA Report including the approach to the HRA. The responses were taken into account by the Council in preparing the next stage (Preferred Options) of the Local Plan Review and undertaking the associated IIA.
IIA006: Integrated Impact Assessment Preferred Options Feedback Report 2024	This report provides a record of the responses received to the IIA Report and associated HRA. The responses were taken into account by the Council in preparing the next stage (Pre-Submission) of the Local Plan Review and undertaking the IIA and associated HRA.

Document	Summary
T002: Transport Impact of Preferred Spatial Approach 2024	Modelling methodology and findings of traffic impact of the spatial approach, specifically additional development.
CC002: Water Cycle Study: Scoping and Stage 2 2024	<p>The scoping study assesses three emerging spatial strategies following the Issues and Options consultation document. It considers whether the proposed growth can be accommodated by the water and wastewater infrastructure, and wider water environment. The study was used to develop the Preferred Options Local Plan Spatial Strategy.</p> <p>The detailed study assesses the preferred spatial strategy. It considers whether the proposed growth can be accommodated by the water and wastewater infrastructure, and wider water environment. The study has been used to develop the Preferred Options Local Plan Spatial Strategy.</p>
Strategic Flood Risk Assessment Level 2 2024	The Level 2 assessment builds on identified risks from the Level 1 assessment for proposed development sites, to provide a greater understanding of fluvial, surface water, groundwater, and reservoir related flooding risks to the site. From this, CCC and developers can make more informed decisions and pursue development in an effective and efficient manner. The Level 2 assessment also identifies sites for further risk analysis at the site-specific Flood Risk Assessment (FRA) stage.
CC002: Water Cycle Study: Scoping and Stage 2 2024	The scoping study assesses three hybrid spatial strategies following the Issues and Options consultation document. It considers whether the proposed growth can be accommodated by the water and wastewater infrastructure, and wider water environment. The study outputs have been used to develop the Preferred Spatial Strategy which is assessed in the detailed study.
Housing Capacity in Chelmsford City Centre and Urban Area 2024	This report provides an assessment of capacity for residential development including the status of current and proposed allocations
Retail Capacity Study Update, Nexus, 2023	This study provides an up-to-date, objective assessment of retail and leisure development needs in the Council area over the review plan period to 2041. It also considers changes to Local Plan retail policies to address prevalent and emerging retail issues. The study finds that there is no need to allocate new sites for convenience or comparison retailing over the review plan period and that there are no significant gaps in the provision of larger commercial leisure facilities in the area.

- 3.39. Key messages from the Employment Land Review (ELR) 2023 are provided in the following paragraphs.
- 3.40. A review of the functional economic market area (FEMA) and assessment of various markets in around Chelmsford shows that the core FEMA relevant to Chelmsford extends across Chelmsford, Maldon and Braintree. However, there are also strong economic relationships with Brentwood and Basildon, alongside London.
- 3.41. The office activity in the area has started rebounding following the Covid-19 pandemic, however the appetite for office floorspace has shifted with more noticeable demand from occupiers for smaller office premises because of new hybrid working patterns. The demand is also primarily focused on short-term leases of no longer than 3 to 5 years, indicating that flexibility is an important requirement for occupiers.
- 3.42. Chelmsford's City Centre remains a prominent office market area with excellent connection to Central London. The key challenge in the current market is a reported lack of good quality office accommodation coupled with a lack of recent office development. Against the last 5-year and 11-year take up rates, there is essentially only 1 year supply remaining highlighting that demand cannot be met beyond the very short term.
- 3.43. The industrial market has remained buoyant and active, with demand currently outperforming the existing supply of available industrial space. Despite this increase in demand, it was noted by agents that Chelmsford is not likely to become a sizeable logistics or industrial hub like other neighbouring authorities over the next 5 years. The demand seen for industrial premises is primarily for small to medium sized units (up to 5,000 sqm) that aim to fulfil indigenous industrial needs, as opposed to larger scale distribution floorspace. It is possible that larger requirements could arise over time depending on wider market factors.
- 3.44. Three alternative scenarios for Chelmsford and associated employment land requirements over the new Local Plan period to 2041 are considered in the ELR. These reflect projections of employment growth in office, industrial and distribution-based sectors (labour demand) derived from economic forecasts (Scenario 1), consideration of past trends in completions of employment space (Scenario 2) and estimates of future growth of local labour supply based on the Council's latest housing evidence (Scenario 3).
- 3.45. The overall gross space requirements related to these different scenarios range from 990 sqm (Scenario 2) to 213,820 sqm (Scenario 3):

Table 4.10 Gross Employment Requirements in Chelmsford, 2022 to 2041 (sq.m)

Type of Space/Use Class	Scenario 1	Scenario 2	Scenario 3
Office E(g)(i)/(ii)	33,640	28,370	70,920
Industrial and Distribution Eg(iii)/B2/B8	73,830	-27,380	142,900
Total	107,470	990	213,820

Source: Lichfields analysis

- 3.46. To calculate the need for new employment space, the report reviews the emerging employment land supply position. This included sites with extant planning permission for employment floorspace and floorspace to be provided as part of existing allocations in the

adopted Local Plan such as at North East Chelmsford (Chelmsford Garden Community). The vast majority (89%) of extant planning permissions relate to office and light industrial space.

- 3.47. The emerging supply position totals 105,906 sqm (65,100 sqm of office/Research and Development and 40,806 sqm of industrial floorspace). A broad comparison of estimated demand for employment use space against the supply, as shown in Table 6.3 from the ELR report, implies that there would not be sufficient employment space under Scenario 1 and Scenario 3 and there is an oversupply of employment space under Scenario 2.

Table 6.3 Demand - Supply of Employment Space in Chelmsford, 2022-2041 (sq.m)

	Scenario 1	Scenario 2	Scenario 3
Employment Requirements	107,470	990	213,820
Employment Supply/Capacity	105,906		
Surplus (+) / Shortfall (-)	-1,564	+104,916	-107,914

Source: Chelmsford Council (Sep 2022) / Lichfields analysis
 Note: Figures rounded

- 3.48. The above table has been split into office, industrial and distribution in Table 6.4 below from the report:

Table 6.4 Demand - Supply of Different Employment Uses in Chelmsford, 2022-2041 (sq.m)

	Scenario 1	Scenario 2	Scenario 3
Office E(g)(i)/(ii)			
Employment Requirements	33,640	28,370	70,920
Employment Supply/Capacity	65,100		
Surplus (+) / Shortfall (-)	+31,460	+36,730	-5,820
Industrial/Distribution E(g)(iii)/B2/B8			
Employment Requirements	73,830	-27,380	142,900
Employment Supply/Capacity	40,806		
Surplus (+) / Shortfall (-)	-33,024	+68,186	-102,094

Source: Chelmsford Council (Sep 2022) / Lichfields analysis
 Note: Figures rounded

- 3.49. The report states that the Council's policy approach should aim to plan positively to meet the indigenous employment space needs, which as a minimum should relate to Scenario 1. However, the Council could proactively decide to accommodate the higher employment requirements relating to Labour Supply Scenario 3 given the significant expansion that will be delivered within Chelmsford over the period to 2041 and to maintain a better balance of new homes and employment opportunities.
- 3.50. The study also reviews designated urban and rural employment areas. It concludes that overall, these perform well and have high occupancy and low vacancy levels. Even poorer quality sites appear to be playing an active role in the commercial market.
- 3.51. The study also identifies further employment policy recommendations for the Council including to consider identifying the need for infrastructure improvements across the main employment locations and future allocations to support employment delivery.

Employment Land Review Focused Update (2024)

3.52. The Focused Update provides a focused update to the 2023 ELR, specifically in terms of the providing updated scenarios of future needs to 2021 (using updated forecasts and data points) and sets these against the latest supply position to determine the level of requirements that need to be considered for the Local Plan period. The updated scenarios indicate updated employment floorspace requirements across all three scenarios when compared to the 2023 ELR, as shown in Table 3.4 below from the report:

Table 3.4 Demand - Supply of Different Employment Uses in Chelmsford, 2022-2041 (sq.m)

	Scenario 1	Scenario 2	Scenario 3
Office E(g)(i)/(ii)			
Employment Requirements	38,053	12,486	139,913
Employment Supply/Capacity	66,025		
Surplus (+) / Shortfall (-)	+27,972	+53,539	-73,888
Industrial/Distribution E(g)(iii)/B2/B8			
Employment Requirements	48,280	-35,223	140,845
Employment Supply/Capacity	45,758		
Surplus (+) / Shortfall (-)	-2,522	+80,981	-95,087

Source: Chelmsford Council (Oct 2024) / Lichfields analysis

Note: Figures rounded

3.53. The supply and demand analysis suggests that Chelmsford has an emerging supply position of 111,783 sq.m that can meet the overall demand implied by the updated scenarios, with a surplus of around 25,450 sq.m identified against the recommended minimum requirements of Scenario 1. However, there is a potential shortfall in industrial and distribution floorspace, particularly under Scenario 1. This gap could be addressed by the surplus office floorspace, provided that allocated and permitted E(g)/B uses are developed. The analysis suggests that flexible land allocations across office, industrial, and distribution sectors would help accommodate varying future needs. The Focused Update recommends that the Local Plan should seek to meet Scenario 1 (Labour Demand) as a starting point and although there is a small shortfall for industrial/distribution uses the proposed Local Plan site allocations are flexible enough to accommodate this. It is also noted that should the Council aim to meet the employment space requirements outlined in Scenario 3 to more closely align employment requirements with increases in housing numbers, new office and industrial and distribution land to 2041 would need to be identified.

Retail Capacity Study Update (2023)

3.54. The study finds that there is no capacity to support further comparison goods floorspace across the Council area in the early part of the Plan period, and only limited capacity for convenience goods floorspace. There is some capacity for both types of goods in the period 2031 to 2041, though the capacity identified is not substantial. As such, and due to the volatility of the market, no sites are recommended to be brought forward (allocated) as part of the Local Plan for convenience or comparison retailing. The study also finds that there are no significant gaps in the provision of larger commercial leisure facilities in the area.

3.55. The Study provides detailed health check assessments for Chelmsford City Centre, South Woodham Ferrers Town Centre and the Principal Neighbourhood Centres. These are recognised as important planning 'tools' for appraising and monitoring the changes in the overall vitality and viability of town centres and informing both plan-making and decision-taking at the local level. For each centre, place-specific interventions are recommended.

3.56. The study provides guidance/recommendations for the Council to consider as part of the review of the Local Plan. This includes:

- Amending centre boundaries for Chelmsford City Centre and Beaulieu Neighbourhood Centre
- Defining a Primary Shopping Area (PSA) in The Vineyards Principal Neighbourhood Centre
- Removing primary and secondary retail frontages from retail policies
- Retaining the existing retail and leisure impact thresholds in Strategic Policy S12
- Updating DM5 to reflect the new Use Class E and to provide direction for uses that are considered appropriate in the PSAs, town centres, neighbourhood centres and outside designated centres
- Providing support for appropriate complimentary initiatives in designated centres such as the construction of click and collect 'hubs' or lockers and the use of outdoor space for public events.

Previous Consultation Feedback

3.57. The Pre-Submission Local Plan has been prepared following two public consultations - the Issues and Options consultation in 2022 and the Preferred Options consultation in 2024. The Issues and Options 'You Said We Did' Feedback Report and the Preferred Options 'You Said We Did' Feedback Report set out the main issues raised in the representations received and a summary of how the subsequent plan has been informed by the comments and the plan evidence base. Main issues raised in the consultation responses to the Issues and Options Local Plan Consultation Document include:

- Support expressed in general for the proposed approach to reviewing employment policies as set out in the Issues and Options Consultation Document
- Support expressed for concentrating large new scale employment development sites as part of strategic new development sites on the edge of Chelmsford Urban Area
- Support for economic growth in Chelmsford, South Woodham Ferrers, villages and the rural areas (where it should integrate smoothly and may have to be located adjacent to or beyond existing settlements)
- Support expressed for the logistics sector
- Support expressed for the leisure sector which is considered a valuable source of employment by offering a diverse range of job opportunities
- Representations calling for allocating sites more flexibly in scale and type, with good access to the strategic road infrastructure, accessible by sustainable modes of travel, and in proximity to housing
- Representations calling for home working and internet connectivity to be considered as part of the review

- Representations calling for more emphasis on supporting the green economy, and
- Representations calling for the review to take account of and seize opportunities to grow the linkages between the Chelmsford and the South Essex economy.

3.58. Main issues raised in the Preferred Options consultation responses include:

- Mix of support and opposition to Development Requirements (Policy S6) and the Spatial Strategy (Policy S7)
- Objections to some site allocations in particular, Hammonds Farm (SGS16a) and Junction 18 A12 Employment Area (SGS16b) and calls for their removal/replacement. There is also limited support for these development
- Broad support for Strategic Policy 8 Delivering Economic Growth and DM4 Employment Areas and Rural Employment Areas
- Some additional policy requirements proposed, for example, to support regional growth sector priorities in Policy S8 Delivering Economic Growth, and for development proposals to consider opportunities for promoting multifunctional green infrastructure and to make it clearer that the redevelopment of existing employment areas should be for employment uses only in Policy DM4 Employment Areas and Rural Employment Areas)
- References to some other strategies, guidance and projects proposed including Thames Freeport (in Policy S9).

3.59. Please see the 'You Said We Did' Feedback Reports for more details, available via www.chelmsford.gov.uk/lp-review.

Local Plan Approach

- 3.60. Changes have been made to the Pre-Submission Local Plan taking into account several considerations including national planning policy and guidance, corporate priorities, an updated evidence base and the Preferred Options consultation comments. Key changes are described below.
- 3.61. The employment requirement in the Pre-Submission Local Plan is informed by the ELR 2023 and Focused Review 2024 resulting in changes to Strategic Policies S6 – Housing and Employment Requirements, S7 – The Spatial Strategy and S8 - Delivering Economic Growth. Provision continues to be made in Strategic Policy S6 – Housing and Employment Requirements for 162,646 sqm of net additional employment floorspace to help accommodate economic growth and employment requirements up to 2041. As such, the Pre-Submission Local Plan exceeds the recommended minimum employment space requirements over the period to 2041 (Scenario 1). It under-allocates the need for employment space requirements associated with the July NPPF proposed revised Standard Method for assessing housing needs of 1,206 dwellings per annum compared with 945 dwellings per annum previously (in the 2023 ELR). However, based on the analysis of the demand and supply position (including sites with extant planning permission for employment), the Council has sufficient consented supply to meet job growth forecasts in overall terms throughout the plan period.

- 3.62. The use of 'around' employment floorspace figures in specific site allocation policies also allows for an appropriate degree of flexibility in provision and for a higher or lower density development to be brought forward in conformity with other policies in the Plan as a whole. Strategic Policy S6 has also been amended to require a 'minimum' of 162,646sqm of new employment floorspace. Hence, the Council considers that through the Pre-Submission Local Plan and its future reviews, it will accommodate its employment needs going forward within its boundaries resulting in no unmet need.
- 3.63. The 162,646sqm of new employment floorspace will be delivered on employment site allocations carried forward from the adopted Local Plan and new employment site allocations as set out in updated Strategic Policy S7 - The Spatial Strategy and respective site allocation policies. The amount of employment development required during the plan period can be accommodated outside of the Green Belt and Green Wedge. As such, exceptional circumstances do not exist to justify amending the Green Belt boundaries in the District.
- 3.64. Carried forward employment site allocations are listed below. The following employment floorspace figures are unchanged from the Preferred Options Local Plan Consultation Document:
- Site 6 - 56,946 sqm of office/business park floorspace North East Chelmsford (Chelmsford Garden Community). This represents an increase of 11,946 sqm from 45,000sqm in the adopted Local Plan in line with an approved site masterplan (Development Framework Document) and outline planning applications currently under consideration
 - Site 10 - 1,200 sqm of business space at North of South Woodham Ferrers - an increase of 200sqm from the adopted Local Plan in line with recent planning applications
 - Site 3b - 5,000sqm of employment floorspace at East of Chelmsford – Land North of Maldon Road (Employment).
- 3.65. The Strategic Housing and Employment Land Availability Assessment (SHELAA) has been used to assess sites submitted to the council for new employment development. Potential suitable site options were then subject to more detailed testing through the plan evidence base to ensure that they are suitable locations in line with Strategic Policy S7 and will help to meet identified needs in a sustainable way. This includes testing through the Integrated Impact Assessment and Transport Impact Appraisals. New employment site allocations in the Pre-Submission Local Plan are listed below. The following employment floorspace figures are unchanged from the Preferred Options Local Plan Consultation Document:
- Site 9a - 3,500 sqm B2/B8 at Waltham Road Employment Area (as an extension to the existing Employment Area) and Site 15 - 6,000 sqm B2/B8 at Little Boyton Hall Farm Employment Area (as an extension to the existing Rural Employment Area). Extensions to these well-established employment sites will provide further rural inward investment opportunities and reflect the aspirations of national policy to support the sustainable growth and expansion of business in rural areas
 - Site 16a - 43,000 sqm business space as part of proposed East Chelmsford Garden Community (Hammonds Farm) and Site 16b - 43,000 sqm stand-alone business space at Land adjacent to A12 Junction 18. These strategic employment land allocations will provide a mix of type and range of sizes of Use Class E(g)(i)-(iii) employment units to help Chelmsford accommodate the predicted growth in economic development and

identified need for new jobs which include the business sectors identified in Policy S8. Both allocations are sustainably located with good access to the strategic road network. They will be accessible via active and sustainable transport links and be well located for residents at new residential developments being allocated in the area notably the new East Chelmsford Garden Community.

3.66. The changes to the Use Class Order which came into effect in 2021 with the new E Use Class raised by a number of respondents to the Issues and Options consultation have necessitated changes to how the Use Classes are referred to in Strategic Policy S6 – Housing and Employment Requirements, S8 - Delivering Economic Growth and DM4 – Employment Areas and Rural Employment Areas. Under the new Use Class Order, the former B1 uses have changed from:

- Class B1(a) to **E(g)(i)** - office space
- Class B1(b) to **E(g)(ii)** - research and development space; and
- Class B1(c) to **E(g)(iii)** - light industrial space.

3.67. Additional requirements have been added to Policy DM4 – Employment Areas and Rural Employment Areas to reflect the Employment Land Review (2023), new Strategic Priority 2 – Promoting smart, active travel and sustainable transport, and to strengthen the policy. Changes include:

- A new criterion to help prevent the loss of buildings in employment use through changes of use proposals (and strengthening of the reasoned justification by specifying what evidence is required to support a change of use)
- A new criterion to ensure proposals are appropriate to their location and are not detrimental to the highway network
- A new paragraph to promote infrastructure improvements in designated employment areas (with examples provided in the reasoned justification)
- Update to the reasoned justification to promote sustainable and active travel measures to designated employment areas, and
- Updates to a criterion and to the reasoned justification to minimise conflicts between neighbouring uses.

3.68. Updated economic growth sectors from the Essex Sector Development Strategy (2022) have been reflected in Strategic Policies S6 and S8.

3.69. New references to the North Essex Economic Board and the Council's Investor's and Developers network, text to support the retention of existing employment areas and requirements for Employment and Skills Plans to provide employment and skills opportunities to benefit the local community have also been added to Strategic Policy S8.

3.70. Anglia Ruskin University and Writtle University Collage have merged which has led to some minor wording changes to Strategic Policies S7 and S8.

3.71. New Strategic Policy S17 – Future of Chelmsford City Centre starts with a section on the economy. The policy aims to increase footfall and dwelling times and supports growth intended to complement the evening economy.

3.72. A new reference to the Thames Freeport infrastructure project has been added into Section 2 of the Pre-Submission Local Plan in response to comments raised to the Preferred Options Local Plan Consultation Document by Castle Point Borough Council. Various amendments have also been made to strengthen and update Policy S8 including references to active and sustainable modes of transport and support for regional growth sector priorities and clustering of economic activity in response to comments raised by Essex County Council, A new reference to multifunctional green infrastructure has also been added to Policy DM4 (see Duty to Cooperate Section above).

3.73. Regards retail, policy recommendations in the Retail Capacity Study Update 2023 have been addressed in the Review of the Local Plan. This includes:

- Removing retail requirements from Strategic Policy S6 - Housing and Employment requirements
- Amending centre boundaries for Chelmsford City Centre and Beaulieu Neighbourhood Centre on the Draft Policies Map
- Defining a Primary Shopping Area (PSA) in The Vineyards Principal Neighbourhood Centre on the Draft Policies Map and adding it into Policy DM5 – Designated Centres
- Removing primary and secondary retail frontages from Policy S12 – The Role of City, Town and Neighbourhood Centres, Policy DM5 – Designated Centres and the Draft Policies Map
- Retaining the existing retail and leisure impact thresholds in Strategic Policy S12 – The Role of City, Town and Neighbourhood Centres
- Updating Policy DM5 – Designated Centres to reflect the new Use Class E and to provide direction for uses that are considered appropriate in the PSAs, town centres, neighbourhood centres and outside designated centres
- Providing support for appropriate complimentary initiatives in designated centres such as the construction of click and collect ‘hubs’ or lockers and the use of outdoor space for public events in Policy DM5 – Designated Centres.

Draft Policies Map

3.74. Several changes are proposed to the adopted Chelmsford Local Plan Policies Map on the Pre-Submission Local Plan Policies Map in relation to employment and retail. These are set out in full in the [Pre-Submission \(Regulation 19\) Policies Map Position Statement \(February 2025\)](#) and include:

- Amended Chelmsford City Centre boundary and area reduced in size in line with the Retail Capacity Study 2023
- A new Primary Shopping Area has been added for The Vineyards in Great Baddow in line with the Retail Capacity Study 2023
- Retail Frontage of Principal and Local Neighbourhood Centres have been removed and replaced with boundaries of Local Neighbourhood Centres
- Primary Frontage notation removed as no longer referred to in the Local Plan, and
- Changes made to the boundary of the Writtle College Special Policy Area to include Titchmarsh Campus and Rural Education and Training Centre.

NPPF December 2023 Checklist

The Council has reviewed the Pre-Submission Local Plan against the requirements of the December 2023 NPPF. The table below shows that the plan meets/ meets all the requirements in respect to Economy. The full [Pre-Submission Local Plan Form and Contents Checklist \(February 2025\)](#) is available at [Local Plan Review](#). A summary of key requirements relating to this topic are included below.

Commentary key:

Pre-Submission Local Plan meets December 2023 NPPF requirement
Pre-Submission Local Plan partially meets December 2023 NPPF requirement
Pre-Submission Local Plan does not meet December 2023 NPPF requirement

3.75. In summary, key alternatives considered during the plan review in relation to the Economy include:

No.	Requirement	Paragraph	Commentary
29	Create conditions in which businesses can invest, expand and adapt.	85	Set out in various plan policies including Strategic Policies S6-S8, Policies DM4-DM6 and employment site allocations including SGS16b and GS9a. The plan considers economic changes since adoption, including the latest predicted growth sectors and the Employment Land Reviews with regards to needs for future employment floorspace.
30	Set out a clear economic vision and strategy 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. Seek to address potential barriers to	86	Set out in various plan policies including Strategic Policies S6-S8, Policies DM4-DM6 and employment site allocations including SGS16b and GS9a. The plan considers economic changes since adoption, including the latest predicted growth sectors and the Employment Land Review (ELR) 2023 and Employment Land Review Focused Update 2024 with regards to needs for future employment floorspace. Strategic Policy S6 makes provision for 162,646sqm of net additional employment floorspace. This is informed by forecasts in the 2023 and 2024 Employment Land Reviews. The 2024 Focused Update reviewed the most up-to-date assumptions and data regarding future economic growth prospects for Chelmsford between 2022 and 2041. As a result, the Pre-Submission Local Plan exceeds the recommended minimum employment space

No.	Requirement	Paragraph	Commentary
	investment and be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices and to enable a rapid response to changes in economic circumstances.		requirements over the period to 2041. It under-allocates the need for employment space requirements associated with the July NPPF proposed revised Standard Method for assessing housing needs of 1,206 dwellings per annum compared with 945 dwellings per annum previously (in the 2023 ELR). However, based on the analysis of the demand and supply position (including sites with extant planning permission for employment), the Council has sufficient consented supply to meet job growth forecasts in overall terms throughout the plan period. The use of 'around' employment floorspace figures in specific site allocation policies also allows for an appropriate degree of flexibility in provision and for a higher or lower density development to be brought forward in conformity with other policies in the Plan as a whole. Strategic Policy S6 has also been amended to require a 'minimum' of 162,646sqm of new employment floorspace. Hence, the Council considers that through the Pre-Submission Local Plan and its future reviews, it will accommodate its employment needs going forward.
31	Planning policies and decisions should recognise and address the specific locational requirements of different sectors.	87	Set out in various plan policies including Strategic Policies S6-S8, Policies DM4-DM6 and employment site allocations including SGS16b and GS9a. The plan considers economic changes since adoption, including the latest predicted growth sectors and the Employment Land Review (ELR) 2023 and Employment Land Review Focused Update 2024 with regards to needs for future employment floorspace.
32	Support a prosperous rural economy.	88	Set out in various plan policies including Strategic Policies S6-S8, Policies DM4-DM6 and employment site allocations including SGS16b and GS9a. The plan considers economic changes since adoption, including the latest predicted growth sectors and the Employment Land Review (ELR) 2023 and Employment Land Review Focused Update 2024 with regards to

No.	Requirement	Paragraph	Commentary
			needs for future employment floorspace. The plan continues to allocate Rural Employment Areas and proposes extensions to two employment areas outside built-up areas.

Alternatives Considered

3.76. The Local Plan review has considered a number of alternative policy approaches and options including different development quantum and spatial strategy options. Each policy in the Preferred Options Local Plan Consultation Document included 'Alternatives considered' which were tested in the Preferred Options Integrated Impact Assessment (IIA), alongside the proposed policies, to help ensure that the final version of the plan is justified and an appropriate strategy, when considered against the alternatives and other available and proportionate evidence. Alternative spatial strategy options have also been tested in other evidence base reports such as the Water Cycle Study Scoping Report and Preferred Options Traffic Modelling Report. Furthermore, the Pre-Submission IIA has considered different spatial strategy and development site options for growth. More detail is set out in each evidence base report and the Pre-Submission Spatial Strategy and Strategic Sites Topic Paper.

3.77. In summary, key alternatives considered during the plan review in relation to the Economy include:

- **No Strategic Policy for Housing and Employment Requirements (S6) but rely on NPPF.** The NPPF requires local planning authorities to proactively meet the need for new housing, employment and retail. Local Plans should set a clear strategy for their area to encourage sustainable growth and inward investment. Therefore, this is not a reasonable alternative
- **Identify additional retail floor space requirements in Strategic Policy S6 Housing and Employment Requirements.** The Retail Capacity Study 2023 does not consider it necessary for the Local Plan to allocate additional convenience or comparison goods floorspace in Chelmsford City Centre or South Woodham Ferrers Town Centre over the plan period to 2041. Therefore, this is not a reasonable alternative
- **Alternative Spatial Strategy in Strategic Policy S7 by providing employment development at Howe Green (Junction 17 of the A12). This would differ from the Spatial Strategy by substituting strategic employment growth at Land adjacent to A12 Junction 18 with land at Howe Green (around Junction 17 of the A12).** This option has been rejected given the lack of strategic highway capacity at Junction 17 of the A12 and no deliverable junction improvements planned to accommodate strategic scale employment growth at this location. This location has lower landscape capacity to

accommodate employment development compared with the Council's preferred option at Location 16b.

- **No Strategic Policy for Delivering Economic Growth (S8) but rely on NPPF.** Within the NPPF there is a requirement to articulate a local vision to meet development needs. Therefore, this is not a reasonable alternative
- **No Strategic Policy for Role of City, Town and Neighbourhood Centres (S12) and rely on NPPF.** Within the NPPF there is requirement to define the network and hierarchy of centres and define their extent. Therefore, there are no reasonable alternatives.
- **No allocation or restriction of designated Employment Areas and Rural Employment Areas for retention and let the market respond in Policy DM4 (Employment Areas and Rural Employment Areas).** The retention of sufficient and viable employment land is vital to the continued economic development of Chelmsford. The policy is suitably flexible to avoid the blanket protection of sites and respond to market signals should they arise. This option is therefore not a reasonable alternative.
- **Not to designate Primary Shopping Areas and designated centres in Policy DM5 Designated Centres, as set out in the retail hierarchy, and let the market respond.** These designations are required to accord with the NPPF, to protect the vitality and viability of the area's designated centres and to identify uses that will be considered acceptable in these areas. This option, therefore, is not a reasonable alternative.

4. Conclusion

- 4.1. The Pre-Submission Local Plan employment and retail policies has been informed by a wide range of considerations, including National Planning Policy, the Local Plan evidence base, the main issues raised in responses to previous consultation stages, the findings of the Pre-Submission IIA and the outcomes from Duty to Co-operate activities and discussions with key stakeholders including Essex County Council and neighbouring Local Planning Authorities.
- 4.2. The rationale for the City Council's approach to employment to support the Local Plan is clear, well informed and capable of being found legally compliant and sound at Examination. Chelmsford faces development constraints but has suitable land supply and availability to meet its full development needs under the transitional arrangements for plan-making set out in the revised NPPF (December 2024).
- 4.3. The Spatial Strategy performs the basis for the long-term planning of the area and will enable the identification of land to accommodate delivery of employment growth. The Pre-Submission IIA also shows that the Spatial Strategy contained within the Pre-Submission Local Plan perform similar to, or better than, the alternatives considered when assessed

against the IIA objectives when compared with reasonable alternatives.

5. Next Steps

- 5.1. This Topic Paper will be updated following feedback to the Pre-Submission consultation and form part of the evidence base alongside submission of the plan for Independent Examination.

Appendix 1 – Preferred Options Topic Paper: Employment

The Issues and Options Topic Paper can be found in Appendix 1.

Chelmsford Local Plan

Review of the adopted Local
Plan

Preferred Options

Topic Paper:

Employment

May 2024



1. Purpose

- 1.1. This Topic Paper is one of a number produced by Chelmsford City Council to set out how the review of the Local Plan has been developed. Topic papers will be refreshed and updated at each stage of the Local Plan Review process to ensure the latest information/position is available. The previous Employment Issues and Options Topic Paper is given in Appendix 1. As such, this topic paper supersedes previous versions.
- 1.2. The intention of the topic papers is to provide background information; they do not contain any policies, proposals or site allocations. Topic papers form part of the Local Plan evidence base which will be submitted alongside the Local Plan for independent examination.
- 1.3. This paper covers employment and promoting a prosperous economy including national planning policies and guidance and the employment evidence base.
- 1.4. The Topic Paper provides background information and provides context of how the Local Plan has been formulated. This Topic Paper should be read alongside the other Preferred Options Topic Papers produced including Spatial Strategy and Strategic Sites and Housing.
- 1.5. The main issues covered by this Topic Paper relate to:
 - Strategic Priority 2 – Promoting smart, active travel and sustainable transport
 - Strategic Priority 6 - Fostering growth and investment and providing new jobs
 - Strategic Priority 9 – Encouraging resilience in retail, leisure, commercial, and cultural development
 - Strategic Policy S1 – Spatial Principles
 - Strategic Policy S6 – Housing and Employment requirements, including retail
 - Strategic Policy S7 – The Spatial Strategy including employment supply
 - Strategic Policy S8 – Delivering Economic Growth
 - Strategic Policy S17 – Future of Chelmsford city Centre, and
 - Relevant Development Management Policies related to employment.

2. Background

- 2.1. The economic vitality of Chelmsford and the success of its businesses are fundamental to improving the prosperity and quality of life of local residents.
- 2.2. Chelmsford's economy and employment base is strong, supporting around 87,000 jobs – the highest of any local council in Essex. There are around 9,000 businesses in the area. The economy is mixed with high numbers of jobs in the retail sector, health and social work sector, professional and scientific sector and the administrative support sector. The Essex Sector Development Strategy (2022) identifies growing employment sectors that are set to create new jobs over the next 30 years including construction, clean energy, advanced manufacturing and engineering, digi-tech, life sciences, and health and care, and professional and support sectors.

- 2.3. Average wage levels are also above that of the eastern region and the national average, both in terms of by place of work and by place of residence. Chelmsford also has a higher proportion of managerial and professional workers compared to regional and national averages.
- 2.4. Unemployment is low in Chelmsford (around 2.5%) when compared to the eastern region and Great Britain. Around 85% of existing businesses have less than nine employees, and micro-businesses are growing which is increasing demand for shared facilities close to services and residential areas.
- 2.5. Chelmsford also has a higher proportion of managerial and professional workers compared to regional and national averages. However, Chelmsford does have a skills shortage in some sectors including healthcare, and some workers are unable to afford homes close to work. This creates additional pressure to make sure that adequate provision is made for housing in line with Chelmsford's role as a regional and sub-regional centre.
- 2.6. Over 50% of Chelmsford's working population both live and work in Chelmsford. Around 20% of workers commute to London. Other popular destinations for Chelmsford residents to work are Basildon, Maldon, Brentwood and Braintree, where some 16% commute to work. Around 36% of Chelmsford's workforce lives outside the area with significant commuting across North Essex, with over 13,000 people commuting from Braintree, Colchester and Maldon each day to work in Chelmsford. This reflects the functional economic geography which Chelmsford shares with Braintree, Maldon and Colchester districts.
- 2.7. The economy of Chelmsford is mixed. Between 2022 and 2041 forecasts indicate that the number of jobs in office, industrial and distribution-based sectors across Chelmsford will increase by around 2,800; this would represent a growth of 8.9% when measured against the number employed in those sectors in 2022. Across all economic sectors the growth in jobs is expected to amount to around 12,400 which would be an increase in new jobs of 12.5%. In overall terms construction, residential and social care, food and beverage and health care are expected to be the sectors with the highest growth in the Local Plan period (Cambridge Econometrics 2022¹).
- 2.8. Chelmsford currently has a large number of employment areas. The key larger sites include Chelmsford and Springfield Business Parks, Dukes Park Industrial Estate, Widford Industrial Estate and Waterhouse Business Park in Chelmsford as well as Eastern Industrial Estate in South Woodham Ferrers. There are also a number of smaller employment areas such as Beehive Lane Industrial Area and Winsford Way in Chelmsford, and Royal British Legion Trading Estate, Danbury, as well as a wide range of Rural Employment Areas.
- 2.9. Planning permission has been granted for a 40,000 sqm floorspace business park in North-East Chelmsford at the Beaulieu development. Masterplans for new employment development as part of Strategic Growth Sites 3b East Chelmsford, 10 South Woodham

¹ The Cambridge Econometrics forecasts can be found on this website: <https://www.camecon.com/uk-forecasting-services/>

Ferrers and 6 North-East Chelmsford (Chelmsford Garden Community) have also been approved which together will deliver over 6,000sqm of new employment floorspace.

- 2.10. Whilst the worst impacts of COVID 19 are now considered in the past, there has been impact on the local economy. There are also macro factors that are driving business decisions – operational costs, utility costs, having too much space for hybrid working etc. A number of businesses have closed, although there have been no major economic shocks or losses. However, businesses are changing how they operate, and we are seeing larger office spaces contract and higher demand for co-working office space of high quality on flexible terms.
- 2.11. City Centre retail is also contracting, and we know that our city centre will need to adapt to the changing demands and needs of customers. The review of the adopted Local Plan addresses the need for a flexible approach to employment space provision in an evolving global, national and local economy. Given national and local economic factors, a review of employment land provision has been undertaken as part of the review of the adopted Local Plan. This will ensure that the Local Plan will provide sufficient flexibility to meet the Council's wider economic vision over the plan period to 2041.

3. Preferred Options

Policy Context

- 3.1. All policies in the Local Plan must be positively prepared, justified, effective and consistent with national policy. The National Planning Policy Framework (NPPF) sets out the overarching planning policy framework, supported by the National Planning Practice Guidance (PPG).
- 3.2. The adopted Local Plan was examined under the 2012 National Planning Policy Framework (NPPF). There have subsequently been updates to the NPPF and the Review of the Local Plan Preferred Options Local Plan has been considered against the requirements of more recent national planning policy and guidance including the 2023 NPPF. Where possible, changes to the NPPF affecting plan-making have been reflected in the Preferred Options Local Plan.
- 3.3. Further detail on these key changes for consideration are set out in the table below, included under the section 'Local Plan Approach'.

National Policy and Guidance

- 3.4. Chapter 6 of the 2023 NPPF (Building a strong, competitive economy) states that planning policies should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development. The approach taken should allow each area to build on its strengths, counter

any weaknesses and address the challenges of the future. (Paragraph 85). It goes on to state that planning policies should:

- Set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth having regard to Local Industrial Strategies and other local policies for economic development and regeneration
- Set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period
- Seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment
- Be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices (such as live-work accommodation), and enable a rapid response to changes in economic circumstances
- Recognise and address the specific locational requirements of different sectors including for storage and distribution
- Enable the sustainable growth and expansion of all types of business in rural areas, and
- Recognise that sites to meet local business and community needs in rural areas may have to be found adjacent to or beyond existing settlements. (Paragraphs 86-89).

3.5. The Plan-making part of the Planning Practice Guidance (PPG) stresses the need for a clear understanding of business requirements in their area in order to assess:

- The need for land or floorspace for economic development, including both the quantitative and qualitative needs for all foreseeable types of economic activity over the plan period, including for retail and leisure development
- The existing and future supply of land available for economic development and its suitability to meet the identified needs. (Paragraph: 041 Reference ID: 61- 041-20190315).

3.6. New national Permitted Development Rights introduced in 2020 allow for the change of use of some offices and employment premises to dwellings and other uses including shops, without the need for a planning application. Amendments to the Use Class Order also allow greater flexibility to change uses within high streets and town centres. As a result, changes to existing policies will be required, including the approach of protecting retail and employment uses, although this will follow the consideration of further evidence gathering and consultation feedback.

3.7. Relevant changes to the NPPF, PPG and legislation have been considered at this Regulation 18 Preferred Options Stage.

Local Policy

3.8. In addition to changes in national planning policy and legislation, the review of the adopted Local Plan will consider the achievability and effectiveness of employment policies in decision making in the adopted Local Plan (2020), the new corporate priorities and strategies of the Council and other relevant plans and guidance. This includes:

- Policy performance issues identified through the latest published [Authority Monitoring Report](#). Relevant policies include S6 Housing and Employment Requirements, S7 The Spatial Strategy and S8 Delivering Economic Growth. The latest AMR does not identify any policy implementation issues
- The Council's [Our Chelmsford Our Plan](#) was updated in 2023. Strategy priorities include to promote the area as a place for investment and as a business location, encouraging the creation of a wider range of jobs and excellence in education, skills and vocational attainment, thereby improving income equality
- [The Essex Sector Development Report Autumn 2023](#) produced by Essex County Council. This aims to shape a vision for the future economy for Greater Essex. It has three priorities: a thriving economy, an economy for everyone and an economy fit for the future. It sets out the case for growth, the engines of growth and how change can be delivered.

Duty to Co-operate

- 3.9. The Council is committed to co-operating with other bodies on strategic planning matters. The Duty to Co-operate Strategy was reviewed and adopted in January 2022.
- 3.10. The Council will make every effort to seek co-operation on cross-boundary and strategic planning matters in a focused, positive and structured way. We will continue to discuss the Review of the Adopted Local Plan with neighbouring planning authorities and the prescribed bodies at stages which align with and inform the stages of the Review of the Adopted Local Plan. These discussions will help to determine the quantum and distribution of Chelmsford's future growth, which will be supported by updated evidence.
- 3.11. At the same time, we continue to work constructively with nearby planning authorities on their own local plan preparation. This has included attending an Employment and Economy workshop for the emerging Basildon Council Local Plan in September 2022.
- 3.12. Early engagement and demonstrating co-operation both with neighbours and the prescribed bodies through Statements of Common Ground are key to meeting the legal duty to co-operate. In some cases, discussion on strategic matters will continue through existing joint working arrangements. We will also arrange further joint Officer and Member meetings, technical stakeholder meetings, focused workshops, and prepare Statements of Common Ground.
- 3.13. The strategic matters for the Review of the Adopted Local Plan are identified as follows:
- Delivering homes for all including Gypsy and Traveller accommodation
 - Jobs and economy including green employment and regeneration
 - Retail, leisure, and cultural development
 - Sustainable transport, highways and active travel
 - Climate change action and mitigation including flood risk and zero carbon
 - Natural and historic environment including increased biodiversity and green/blue/wild spaces and connectivity of ecological networks

- Community infrastructure including education, health and community facilities
- Utility infrastructure including communications, waste, water and energy
- London Stansted Airport future airspace redesign.

3.14. As part of on-going Duty to Co-operate relevant to this topic, the Council has attended relevant meetings and provides updates on our plan review such as through the Essex Planning Officers Association (EPOA). Regular Duty to Co-operate meetings have taken place with Essex County Council (ECC) and Maldon District Council. A Duty to Co-operate meeting was also held with Castle Point Borough Council in November 2022 at which Thames Freeport and the Association of South Essex Local Authorities was discussed. Details of ongoing activity are contained in the Duty to Co-operate Statement, published as an interim report to accompany the Preferred Options consultation and available here: www.chelmsford.gov.uk/lp-review.

3.15. As part of the Preferred Options consultation the Council will also be having meetings with neighbouring Local Planning Authorities as well as other relevant Duty to Co-operate bodies. Any strategic cross boundary issues relating to employment raised through these meetings and the consultation will be further considered and any further engagement undertaken if required.

Integrated Impact Assessment

3.16. The Council is carrying out an ongoing Integrated Impact Assessment (IIA) as the Review of the Local Plan develops.

3.17. The IIA is assessing the following aspects of sustainable development:

- Sustainability Appraisal (SA)
- Strategic Environmental Assessment (SEA)
- Habitats Regulations Assessment (HRA)
- Health Impact Assessment (HIA)
- Equality Impact Assessment (EqIA).

3.18. The SA, SEA and HRA are a requirement of national policy. The HIA and EqIA are voluntary, but the Council believes they will help to provide a complete picture of the sustainability of the Review of the Adopted Local Plan.

3.19. The IIA identifies the key sustainability issues for the Review of the Local Plan, which feed into a framework against which proposals are assessed. It covers the potential environmental, social, economic and health performance of the Local Plan and any reasonable alternatives. It will be used at each stage of the Review, and be subject to separate consultation, as follows:

- Scoping Report
- Issues and Options
- Preferred Options – Current Stage
- Submission

- Adoption

3.20. The key sustainability issues and Appraisal Framework Objectives relating to this Topic Paper are:

Key sustainability issue	Appraisal Framework Objective
Population and community	3. Economy, Skills and Employment: To achieve a strong and stable economy which offers rewarding and well located employment opportunities to everyone. 4. Sustainable Living and Revitalisation: To promote urban renaissance and support the vitality of rural centres, tackle deprivation and promote sustainable living.
Health and wellbeing	5. Health and Wellbeing: To improve the health and wellbeing of those living and working in the Chelmsford City area.

3.21. Five alternative Spatial Approaches to the preferred Spatial Strategy were assessed in the Issues and Options IIA Report. The Preferred Options IIA finds that overall, these alternative approaches are considered to perform less well than the preferred Spatial Strategy when considered against national planning policy, an analysis of the Issues and Options consultation responses, the Issues and Options IIA Report, the Local Plan Vision and Spatial Principles, Settlement Hierarchy, environmental constraints, the availability and viability of land for development and discussions with key stakeholders.

3.22. Other findings from the Preferred Options IIA report include:

- Likely positive sustainability effects associated with the employment supply for 2022-2041. Provision of 162,646 sqm of employment floorspace in Strategic Policy S6 is appraised as having a significant positive effect in respect of the economy (IIA Objective 3). A minor positive effect is identified in respect of Sustainable Living (IIA Objective 4) and Health and Well-Being (IIA Objective 5) reflecting the opportunities for the provision of local employment opportunities associated with the revitalisation of urban areas
- The Preferred Options Plan will ensure that there is an appropriate quantity and range of employment land to enable the local economy to function efficiently. It will also assist in the creation of new jobs and inward investment by less direct means, for example, by supporting the expansion of education and training, facilitating improvements to transport and telecommunications and by maintaining an attractive environment through the protection of the landscape and heritage assets
- The preferred Spatial Strategy (Strategic Policy S7) will have significant positive effects on economy, skills and employment. The construction of new dwellings would support the construction sector both within and outside the City Area and has the potential to create employment opportunities as well as increased economic activity

in the local and wider supply chain. In the longer term (once development is complete), the increase in local population could boost the local labour market and increase economic activity in the local community

- Policy DM4 - Employment Areas and Rural Employment Areas will help support the retention of businesses and jobs in the Chelmsford City Area and contribute to economic growth and investment.

3.23. Section 5 of the Preferred Options IIA includes recommendations which will be considered as part of further refinement of the Plan before Submission including those related to employment policies.

Evidence base

3.24. In accordance with the requirements of the NPPF, policies and their requirements should be based on up-to-date evidence.

3.25. In addition to the IIA, the following documents are of particular relevance to employment needs and are supporting the Review of the Adopted Local Plan. Evidence base documents are available via: www.chelmsford.gov.uk/lp-review.

Document	Summary	Status
Employment Land Review, Lichfield, 2023	This study considers current economic trends and future requirements for new employment floorspace up to 2041. It also proposes some recommendations for employment policies in the review plan. The review will help to inform the Spatial Strategy and any changes needed to plan employment policies – see further details below.	Published
AH001: Chelmsford Strategic Housing Needs Assessment	This report focusses on overall housing need, including consideration of the Standard Method projection which was used to look at potential changes to the resident labour supply and the number of additional jobs that might be supported.	Published
SHELAA Annual Report (2023)	The SHELAA is a high level a process used to find possible land for new employment and housing development. It includes several different documents that explain the methodology and assessment criteria used, as well of the assessment outputs of each site.	Published
Authority Monitoring Report (April 2022 – March 2023)	A report monitoring the production of the Council’s Local Plan Documents against the Local Development Scheme and the performance and effectiveness of the Council’s planning policies in delivering the key objectives of the Local Plan.	Published
OSP003: Preferred Options Local Plan Form and Contents	Compares the PO Local Plan against key requirements of the NPPF	Published

Document	Summary	Status
Checklist 2024		
T002: Transport Impact of Preferred Spatial Approach 2024	Modelling methodology and findings of traffic impact of the spatial approach, specifically additional development	Published
CC002: Water Cycle Study: Scoping and Stage 2 2024	<p>The scoping study assesses three emerging spatial strategies following the Issues and Options consultation document. It considers whether the proposed growth can be accommodated by the water and wastewater infrastructure, and wider water environment. The study has been used to develop the Preferred Spatial Strategy.</p> <p>The detailed study assesses the preferred spatial strategy. It considers whether the proposed growth can be accommodated by the water and wastewater infrastructure, and wider water environment. The study has been used to develop the Preferred Spatial Strategy.</p>	Published
Strategic Flood Risk Assessment Level 2 2024	The Level 2 assessment builds on identified risks from the Level 1 assessment for proposed development sites, to provide a greater understanding of fluvial, surface water, groundwater, and reservoir related flooding risks to the site. From this, CCC and developers can make more informed decisions and pursue development in an effective and efficient manner. The Level 2 assessment also identifies sites for further risk analysis at the site-specific Flood Risk Assessment (FRA) stage.	Published
CC002: Water Cycle Study: Scoping and Stage 2 2024	The scoping study assesses three hybrid spatial strategies following the Issues and Options consultation document. It considers whether the proposed growth can be accommodated by the water and wastewater infrastructure, and wider water environment. The study outputs have been used to develop the Preferred Spatial Strategy which is assessed in the detailed study.	Published
Housing Capacity in Chelmsford City Centre and Urban Area 2024	This report provides an assessment of capacity for residential development including the status of current and proposed allocations	Published
Retail Capacity Study Update, Nexus, 2023	This study provides an up-to-date, objective assessment of retail and leisure development needs in the Council area over the review plan period to 2041. It also considers changes to Local Plan retail policies to address prevalent and emerging retail issues. The study finds that there is no	Published

Document	Summary	Status
	need to allocate new sites for convenience or comparison retailing over the review plan period and that there are no significant gaps in the provision of larger commercial leisure facilities in the area.	

Employment Land Review (2023)

- 3.26. Key messages in the Employment Land Review (ELR) 2023 are provided in the following paragraphs.
- 3.27. A review of the functional economic market area (FEMA) and assessment of various markets in around Chelmsford shows that the core FEMA relevant to Chelmsford extends across Chelmsford, Maldon and Braintree. However, there are also strong economic relationships with Brentwood and Basildon, alongside London.
- 3.28. The office activity in the area has started rebounding following the Covid-19 pandemic, however the appetite for office floorspace has shifted with more noticeable demand from occupiers for smaller office premises because of new hybrid working patterns. The demand is also primarily focused on short-term leases of no longer than 3 to 5 years, indicating that flexibility is an important requirement for occupiers.
- 3.29. Chelmsford’s City Centre remains a prominent office market area with excellent connection to Central London. The key challenge in the current market is a reported lack of good quality office accommodation coupled with a lack of recent office development. Against the last 5-year and 11-year take up rates, there is essentially only 1 year supply remaining highlighting that demand cannot be met beyond the very short term.
- 3.30. The industrial market has remained buoyant and active, with demand currently outperforming the existing supply of available industrial space. Despite this increase in demand, it was noted by agents that Chelmsford is not likely to become a sizeable logistics or industrial hub like other neighbouring authorities over the next 5 years. The demand seen for industrial premises is primarily for small to medium sized units (up to 5,000 sqm) that aim to fulfil indigenous industrial needs, as opposed to larger scale distribution floorspace. It is possible that larger requirements could arise over time depending on wider market factors.
- 3.31. Three alternative scenarios for Chelmsford and associated employment land requirements over the new Local Plan period to 2041 are considered in the ELR. These reflect projections of employment growth in office, industrial and distribution-based sectors (labour demand) derived from economic forecasts (Scenario 1), consideration of past trends in completions of employment space (Scenario 2) and estimates of future growth of local labour supply based on the Council’s latest housing evidence (Scenario 3).
- 3.32. The overall gross space requirements related to these different scenarios range from 990 sqm (Scenario 2) to 213,820 sqm (Scenario 3):

Table 4.10 Gross Employment Requirements in Chelmsford, 2022 to 2041 (sq.m)

Type of Space/Use Class	Scenario 1	Scenario 2	Scenario 3
Office E(g)(i)/(ii)	33,640	28,370	70,920
Industrial and Distribution Eg(iii)/B2/B8	73,830	-27,380	142,900
Total	107,470	990	213,820

Source: Lichfields analysis

3.33. To calculate the need for new employment space, the report reviews the emerging employment land supply position. This included sites with extant planning permission for employment floorspace and floorspace to be provided as part of existing allocations in the adopted Local Plan such as at North East Chelmsford (Chelmsford Garden Community). The vast majority (89%) of extant planning permissions relate to office and light industrial space.

3.34. The emerging supply position totals 105,906 sqm (65,100 sqm of office/Research and Development and 40,806 sqm of industrial floorspace). A broad comparison of estimated demand for employment use space against the supply, as shown in Table 6.3 from the ELR report, implies that there would not be sufficient employment space under Scenario 1 and Scenario 3 and there is an oversupply of employment space under Scenario 2.

Table 6.3 Demand - Supply of Employment Space in Chelmsford, 2022-2041 (sq.m)

	Scenario 1	Scenario 2	Scenario 3
Employment Requirements	107,470	990	213,820
Employment Supply/Capacity	105,906		
Surplus (+) / Shortfall (-)	-1,564	+104,916	-107,914

Source: Chelmsford Council (Sep 2022) / Lichfields analysis

Note: Figures rounded

3.35. The above table has been split into office, industrial and distribution in Table 6.4 below from the report:

Table 6.4 Demand - Supply of Different Employment Uses in Chelmsford, 2022-2041 (sq.m)

	Scenario 1	Scenario 2	Scenario 3
Office E(g)(i)/(ii)			
Employment Requirements	33,640	28,370	70,920
Employment Supply/Capacity	65,100		
Surplus (+) / Shortfall (-)	+31,460	+36,730	-5,820
Industrial/Distribution E(g)(iii)/B2/B8			
Employment Requirements	73,830	-27,380	142,900
Employment Supply/Capacity	40,806		
Surplus (+) / Shortfall (-)	-33,024	+68,186	-102,094

Source: Chelmsford Council (Sep 2022) / Lichfields analysis

Note: Figures rounded

3.36. The report states that the Council's policy approach should aim to plan positively to meet the indigenous employment space needs, which as a minimum should relate to Scenario 1. However, the Council could proactively decide to accommodate the higher employment requirements relating to Labour Supply Scenario 3 given the significant expansion that will

be delivered within Chelmsford over the period to 2041 and to maintain a better balance of new homes and employment opportunities.

- 3.37. The study also reviews designated urban and rural employment areas. It concludes that overall, these perform well and have high occupancy and low vacancy levels. Even poorer quality sites appear to be playing an active role in the commercial market.
- 3.38. The study also identifies further employment policy recommendations for the Council including to consider identifying the need for infrastructure improvements across the main employment locations and future allocations to support employment delivery.

Retail Capacity Study Update (2023)

- 3.39. The study finds that there is no capacity to support further comparison goods floorspace across the Council area in the early part of the Plan period, and only limited capacity for convenience goods floorspace. There is some capacity for both types of goods in the period 2031 to 2041, though the capacity identified is not substantial. As such, and due to the volatility of the market, no sites are recommended to be brought forward (allocated) as part of the Local Plan for convenience or comparison retailing. The study also finds that there are no significant gaps in the provision of larger commercial leisure facilities in the area.
- 3.40. The Study provides detailed health check assessments for Chelmsford City Centre, South Woodham Ferrers Town Centre and the Principal Neighbourhood Centres. These are recognised as important planning 'tools' for appraising and monitoring the changes in the overall vitality and viability of town centres and informing both plan-making and decision-taking at the local level. For each centre, place-specific interventions are recommended.
- 3.41. The study provides guidance/recommendations for the Council to consider as part of the review of the Local Plan. This includes:
- Amending centre boundaries for Chelmsford City Centre and Beaulieu Neighbourhood Centre
 - Defining a Primary Shopping Area (PSA) in The Vineyards Principal Neighbourhood Centre
 - Removing primary and secondary retail frontages from retail policies
 - Retaining the existing retail and leisure impact thresholds in Strategic Policy S12
 - Updating DM5 to reflect the new Use Class E and to provide direction for uses that are considered appropriate in the PSAs, town centres, neighbourhood centres and outside designated centres
 - Providing support for appropriate complimentary initiatives in designated centres such as the construction of click and collect 'hubs' or lockers and the use of outdoor space for public events.

Issues and Options Consultation Feedback

- 3.42. The Review of the Local Plan Issues and Options document was published for consultation between August and October 2022. A total of 1,178 responses were received from 711 respondents. The 'You Said We Did' (YSWD) Feedback Report, available via [Local Plan Review \(chelmsford.gov.uk\)](https://www.chelmsford.gov.uk/Local-Plan-Review), sets out the main issues raised in the representations received,

a summary of how the Preferred Options Local Plan has been informed by the comments and the plan evidence base. Main issues raised in the consultation responses include:

- Support expressed in general for the proposed approach to reviewing employment policies as set out in the Issues and Options Consultation Document
- Support expressed for concentrating large new scale employment development sites as part of strategic new development sites on the edge of Chelmsford Urban Area
- Support for economic growth in Chelmsford, South Woodham Ferrers, villages and the rural areas (where it should integrate smoothly and may have to be located adjacent to or beyond existing settlements)
- Support expressed for the logistics sector
- Support expressed for the leisure sector which is considered a valuable sources of employment by offering a diverse range of job opportunities
- Representations calling for allocating sites more flexibly in scale and type, with good access to the strategic road infrastructure, accessible by sustainable modes of travel, and in proximity to housing
- Representations calling for home working and internet connectivity to be considered as part of the review
- Representations calling for more emphasis on supporting the green economy, and
- Representations calling for the review to take account of and seize opportunities to grow the linkages between the Chelmsford and the South Essex economy.

Local Plan Approach

3.43. Changes have been made to the Preferred Options document taking into account a number of considerations including national planning policy and guidance, new corporate priorities, an updated evidence base and the Issues and Options comments. Key changes are described below.

3.44. The employment requirement in the Preferred Options Local Plan is informed by Scenario 3 in the ELR resulting in changes to Strategic Policies S6 – Housing and Employment Requirements, S7 – The Spatial Strategy and S8 - Delivering Economic Growth. Provision is made in updated Strategic Policy S6 – Housing and Employment Requirements for 162,646 sqm of new employment floorspace. This will be delivered on employment site allocations carried forward from the adopted Local Plan and new employment site allocations as set out in updated Strategic Policy S7 - The Spatial Strategy and respective site allocation policies.

3.45. Carried forward employment site allocations are:

- Site 6 - 56,946 sqm of office/business park floorspace North East Chelmsford (Chelmsford Garden Community). This represents an increase of 11,946 sqm from 45,000sqm in the adopted Local Plan in line with an approved site masterplan
- Site 10 - 1,200 sqm of business space at North of South Woodham Ferrers - an increase of 200sqm from the adopted Local Plan in line with recent planning applications
- Site 3b - 5,000sqm of employment floorspace at East of Chelmsford – Land North of Maldon Road (Employment).

3.46. Proposed new employment site allocations are:

- Site 9a - 3,500 sqm B2/B8 at Waltham Road Employment Area (aa an extension to the existing Employment Area)
- Site 15 - 6,000 sqm B2/B8 at Little Boyton Hall Farm Employment Area (aa an extension to the existing Rural Employment Area)
- Site 16a - 43,000 sqm business space as part of proposed East Chelmsford Garden Community (Hammonds Farm)
- Site 16b - 43,000 sqm stand-alone business space at Land adjacent to A12 Junction 18.

3.47. Consequential changes have also been made to S8 - Delivering Economic Growth to reflect the amended and new employment site allocations.

3.48. The changes to the Use Class Order which came into effect in 2021 with the new E Use Class raised by a number of respondents to the Issues and Options consultation have necessitated changes to how the Use Classes are referred to in Strategic Policy S6 – Housing and Employment Requirements, S8 - Delivering Economic Growth and DM4 – Employment Areas and Rural Employment Areas. Under the new Use Class Order, the former B1 uses have changed from:

- Class B1(a) to **E(g)(i)** - office space
- Class B1(b) to **E(g)(ii)** - research and development space; and
- Class B1(c) to **E(g)(iii)** - light industrial space.

3.49. Additional requirements have been added to Policy DM4 – Employment Areas and Rural Employment Areas to reflect the Employment Land Review, new Strategic Priority 2 – Promoting smart, active travel and sustainable transport, and to strengthen the policy. Changes include:

- A new criterion to help prevent the loss of buildings in employment use through changes of use proposals (and strengthening of the reasoned justification by specifying what evidence is required to support a change of use)
- A new criterion to ensure proposals are appropriate to their location and are not detrimental to the highway network
- A new paragraph to promote infrastructure improvements in designated employment areas (with examples provided in the reasoned justification)
- Update to the reasoned justification to promote sustainable and active travel measures to designated employment areas, and
- Updates to a criterion and to the reasoned justification to minimise conflicts between neighbouring uses.

3.50. Updated economic growth sectors from the Essex Sector Development Strategy (2022) have been reflected in Strategic Policies S6 and S8.

3.51. New references to the North Essex Economic Board and the Council's Investor's and Developers network, text to support the retention of existing employment areas and requirements for Employment and Skills Plans to provide employment and skills opportunities to benefit the local community have also been added to Strategic Policy S8.

3.52. Anglia Ruskin University and Writtle University Collage have merged which has led to some minor wording changes to Strategic Policies S7 and S8.

3.53. New Strategic Policy S17 – Future of Chelmsford City Centre starts with a section on the economy. The policy aims to increase footfall and dwelling times and also supports growth intended to complement the evening economy.

3.54. Regards retail, policy recommendations in the Retail Capacity Study Update 2023 have been addressed in the Preferred Options document. This includes:

- Removing retail requirements from Strategic Policy S6 - Housing and Employment requirements
- Amending centre boundaries for Chelmsford City Centre and Beaulieu Neighbourhood Centre on the Draft Policies Map
- Defining a Primary Shopping Area (PSA) in The Vineyards Principal Neighbourhood Centre on the Draft Policies Map and adding it into Policy DM5 – Designated Centres
- Removing primary and secondary retail frontages from Policy S12 – The Role of City, Town and Neighbourhood Centres, Policy DM5 – Designated Centres and the Draft Policies Map
- Retaining the existing retail and leisure impact thresholds in Strategic Policy S12 – The Role of City, Town and Neighbourhood Centres
- Updating Policy DM5 – Designated Centres to reflect the new Use Class E and to provide direction for uses that are considered appropriate in the PSAs, town centres, neighbourhood centres and outside designated centres
- Providing support for appropriate complimentary initiatives in designated centres such as the construction of click and collect ‘hubs’ or lockers and the use of outdoor space for public events in Policy DM5 – Designated Centres.

NPPF 2023 Checklist

3.55. The Council has reviewed the Preferred Options Local Plan against the requirements of the latest 2023 NPPF. The table below shows that the plan meets all requirements in respect to the economy. The full Preferred Options Local Plan Form and Contents Checklist (March 2024) is available at www.chelmsford.gov.uk/lp-review

Commentary key:

Preferred Options Local Plan meets NPPF requirement
Preferred Options Local Plan partially meets NPPF requirement
Preferred Options Local Plan does not meet NPPF requirement

No.	NPPF Requirement	Para.	Approach in the Preferred Options Local Plan
29	Create conditions in which businesses can invest, expand and adapt.	85	Set out in various plan policies including Strategic Policies S6-S8, Policies DM4-DM6 and employment site allocations including

No.	NPPF Requirement	Para.	Approach in the Preferred Options Local Plan
			SGS16b and GS9a. The plan considers economic changes since adoption, including the latest predicted growth sectors and the updated Employment Land Review regards needs for future employment floorspace.
30	<p>Set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth.</p> <p>Set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period.</p> <p>Seek to address potential barriers to investment and be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices and to enable a rapid response to changes in economic circumstances.</p>	86	Set out in various plan policies including Strategic Policies S6-S8, Policies DM4-DM6 and employment site allocations including SGS16b and GS9a. The plan considers economic changes since adoption, including the latest predicted growth sectors and the updated Employment Land Review regards needs for future employment floorspace.
31	Planning policies and decisions should recognise and address the specific locational requirements of different sectors.	87	Set out in various plan policies including Strategic Policies S6-S8, Policies DM4-DM6 and employment site allocations including SGS16b and GS9a. The plan considers economic changes since adoption, including the latest predicted growth sectors and the updated Employment Land Review regards needs for future employment floorspace.
32	Support a prosperous rural economy.	88	Set out in various plan policies including Strategic Policies S6-S8, Policies DM4-DM6 and employment site allocations including SGS16b and GS9a. The plan considers economic changes since adoption, including the latest predicted growth sectors and the updated Employment Land Review regards

No.	NPPF Requirement	Para.	Approach in the Preferred Options Local Plan
			needs for future employment floorspace. The plan continues to allocate Rural Employment Areas and proposes extensions to two employment areas outside built-up areas.

Additional alternative approaches considered

3.56. Throughout the Preferred Options Local Plan each policy includes any 'Alternatives considered'. National Planning Practice Guidance (NPPG) makes it clear that a Local Plan reflects sustainability objectives and has considered reasonable alternatives. The alternatives considered have been tested by the Preferred Options Integrated Impact Assessment (IIA), alongside the proposed policies, to help ensure that the Preferred Options plan is justified and is an appropriate strategy, when considered against the alternatives and other available and proportionate evidence. Key alternatives considered in relation to employment include:

- **Not having an Employment Requirement Figure** - the NPPF requires local planning authorities to proactively meet the need for new housing, employment and retail. Local Plans should set a clear strategy for their area to encourage sustainable growth and inward investment.
- **Identify additional retail floor space requirements** - The Retail Capacity Study 2023 does not consider it necessary for the Local Plan to allocate additional convenience or comparison goods floorspace in Chelmsford City Centre or South Woodham Ferrers Town Centre over the plan period to 2041.
- **Not having a Spatial Strategy** - would undermine the delivery of the Plan's Vision, Strategic Priorities and create uncertainty and ultimately lead to unplanned and uncoordinated development not supported by necessary infrastructure. It would result in the removal of specified development allocations and the Settlement Hierarchy which guides future planning decisions and promotes sustainable development.
- **Development in the Green Belt** – discounted as sufficient and suitable land is available outside the Green Belt to meet development needs in a sustainable way. It would also undermine the protection of the Green Belt by national planning policy.
- **Development growth in the Green Wedge** - the Green Wedge is a locally important designation following the river valleys which have been enshrined in Chelmsford development plans since 2008 and has helped shape Chelmsford's growth. Changes to the Green Wedge boundaries to allow development growth has been discounted

as sufficient and suitable land is available outside the Green Wedge to meet the areas development needs in a sustainable way.

- **Alternative Spatial Strategy:**

Expand the existing development allocations within the adopted Spatial Strategy with further expansion of North East Chelmsford (Chelmsford Garden Community) - this differs from the preferred Spatial Strategy by substituting the proposed new East Chelmsford Garden Community (Hammonds Farm) with further expansion of existing adopted strategic development allocations including North East Chelmsford (Chelmsford Garden Community).

Further expansion at **North West Chelmsford (Location 2)** and **Broomfield (Location 8)** have been rejected due to their impact on and the capacity of the local road network and their relative remoteness from the strategic road network.

Further expansion at **East of Chelmsford (Location 3)** has been rejected due to the need to prevent coalescence with Sandon Village as identified in the adopted Sandon Neighbourhood Plan.

Further expansion at **South Woodham Ferrers (Location 10)** has been rejected due to the impact on and the capacity of the strategic and local road network and capacity limits of the wastewater recycling facilities serving the area.

Further expansion of **Great Leighs (Location 7)** has been rejected due to landscape capacity and sensitivity concerns and the capacity limits of the wastewater recycling facilities serving the area.

Further expansion of **North East Chelmsford (Chelmsford Garden Community - Location 6)** has been discounted as promoted development sites are not deliverable within the plan period given permitted mineral extraction and land remediation works.

- **Alternative Spatial Strategy - Employment development at Howe Green (Junction 17 of the A12)** - This differs from the preferred Spatial Strategy by substituting strategic employment growth at Land adjacent to A12 Junction 18 with land at Howe Green (around Junction 17 of the A12). This option has been rejected given the lack of strategic highway capacity at Junction 17 of the A12 and no deliverable junction improvements planned to accommodate strategic scale employment growth at this location. This location has lower landscape capacity to accommodate employment development compared with the Council's preferred option at Location 16b.
- **Not having Strategic Policy S8 – Delivering Economic Growth.** Within the NPPF there is a requirement to articulate a local vision to meet development needs.
- **Not having Strategic Policy S17 - Future of Chelmsford City Centre.** The NPPF does not provide detailed guidance on the Council's expectations for new

development including proposals which can help achieve a diverse mix of business uses in Chelmsford City Centre. It is considered that the policy is required to give local focus and clarity to developers and local communities.

- **Alternative to Policy DM4 - No allocation or restriction of designated Employment Areas and Rural Employment Areas for retention and let the market respond** - The retention of sufficient and viable employment land is vital to the continued economic development of Chelmsford. The policy is suitably flexible to avoid the blanket protection of sites and respond to market signals should they arise. This option is therefore not a reasonable alternative.
- **Do not carry forward allocated sites for/with employment development in the Adopted Local Plan.** These include Strategic Growth Site 3b (East of Chelmsford). These site allocations represent sustainable and sound development allocations which have been subject to Independent Examination. There are no overriding constraints that would hinder the delivery of the sites which will contribute to employment supply.
- **Do not allocate the proposed new employment Growth Site 9a (Waltham Road) and Strategic Growth Site 15 (Little Boyton Hall Farm)** - These site allocations represent sustainable development allocations. There are no overriding constraints that would hinder the delivery of the sites which will contribute to employment supply.
- **Do not allocate the proposed new employment Strategic Growth Site Land adjacent to A12 Junction 18** - This site allocation represents a sustainable development allocation. There are no overriding constraints that would hinder the delivery of the site which will contribute to employment supply.

4. Next Steps

- 4.1. This Topic Paper will be updated and expanded on following feedback to the Preferred Options consultation and progress of further evidence-base gathering. An updated Topic Paper will be published at the next stage of Local Plan Consultation (Pre-Submission) setting out the progress made and the reasoning behind the proposals in the Pre-Submission Consultation Document.

Chelmsford Local Plan

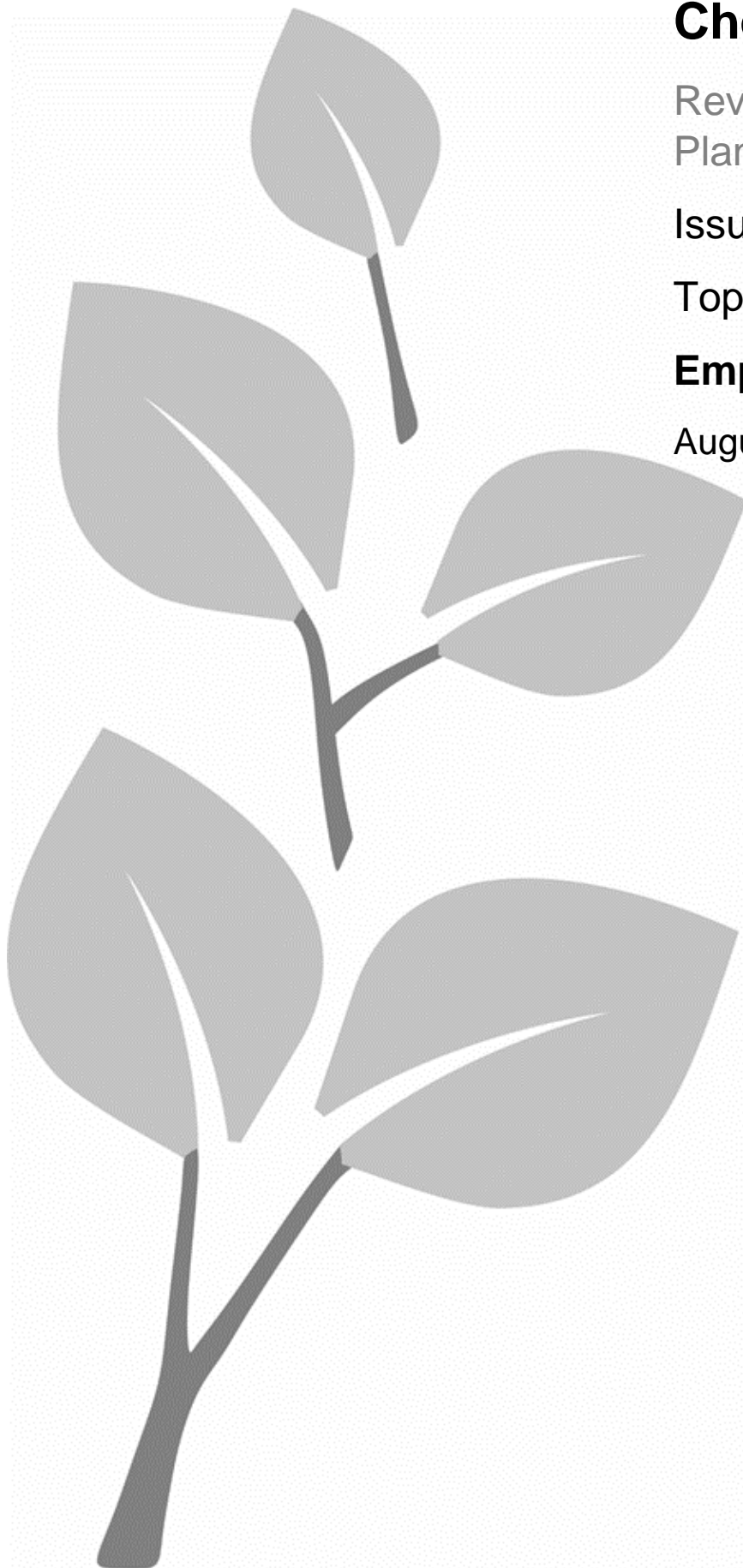
Review of the adopted Local
Plan

Issues and Options

Topic Paper:

Employment

August 2022



1. Purpose

- 1.1. This Topic Paper is one of a number produced by Chelmsford City Council to set out how the review of the Local Plan has been developed. Topic papers will be refreshed and updated at each stage of the Local Plan Review process to ensure the latest information/position is available. This will avoid confusion and duplication and the latest topic paper will supersede any previous versions.
- 1.2. The intention of the topic papers is to provide background information; they do not contain any policies, proposals or site allocations. Topic papers will form part of the Local Plan evidence base which will be submitted alongside the Local Plan for independent examination.
- 1.3. This Topic Paper covers employment and promoting a prosperous economy.
- 1.4. The Topic Paper provides background information and provides context of how the Local Plan has been formulated. It should be read alongside the other Topic Papers produced.
- 1.5. The main issues covered by this Topic Paper are:
 - National planning policies covering employment issues
 - Employment evidence base
 - How the Review of the Adopted Local Plan will encourage sustainable economic growth and meet future employment needs.

2. Background

- 2.1 The economic vitality of Chelmsford and the success of its businesses are fundamental to improving the prosperity and quality of life of local residents.
- 2.2 Chelmsford's economy and employment base is strong supporting around 87,000 jobs – the highest of any local Council in Essex. There are around 9,000 businesses in the area. The economy is mixed with high numbers of jobs in the retail sector, health and social work sector, professional and scientific sector and the administrative support sector. Growing employment sectors across Essex that are set to create new jobs over the next 20 years include advanced manufacturing, low carbon and renewable energy technologies, life sciences and healthcare, digital and creative services, financial and business services, and logistics (Chelmsford Economic Strategy, 2017).

- 2.3 Average wage levels are also above that of the eastern region and the national average, both in terms of by place of work and by place of residence. Chelmsford also has a higher proportion of managerial and professional workers compared to regional and national averages.
- 2.4 Unemployment is low (around 2.5%) when compared to the eastern region and Great Britain despite the impact of the Covid-19 pandemic, reduced business revenues and an increase in home-based working. Around 85% of existing businesses have less than nine employees, and micro-businesses are growing which is increasing demand for shared facilities close to services and residential areas.
- 2.5 Over 50% of Chelmsford's working population both live and work in Chelmsford with around 20% of workers commuting to London. Other popular destinations for Chelmsford residents to work are Basildon, Maldon, Brentwood and Braintree, where some 16% commute to work. Around 36% of Chelmsford's workforce lives outside the area with significant commuting across North Essex, with over 13,000 people commuting from Braintree, Colchester and Maldon each day to work in Chelmsford. This reflects the functional economic geography which Chelmsford shares with Braintree, Maldon and Colchester districts (ONS, 2011).
- 2.6 Chelmsford currently has large number of employment areas. The key larger sites include:
- Chelmsford Business Park, Springfield
 - Dukes Park Industrial Estate, Chelmsford
 - Widford Industrial Estate, Chelmsford
 - Ferrers Road Industrial Area, South Woodham Ferrers.
- 2.7 There are also a number of smaller employment areas such as Beehive Lane Industrial Area and Winsford Way in Chelmsford, and Royal British Legion Trading Estate, Danbury, as well as a wide range of Rural Employment Areas.
- 2.8 Planning permission has been granted for a 40,000 sqm floorspace business park in North East Chelmsford at the Beaulieu development. A masterplan for new development at Strategic Growth Site 3b East Chelmsford including a 5,000sqm office/business park has also been approved. The masterplan for Strategic Growth Site 6 North East Chelmsford for 45,000 sqm of office/business floorspace as part of the new Chelmsford Garden Community is also advancing.
- 2.9 Whilst the worst impacts of COVID 19 are now considered in the past there has been impact on the local economy. There are also macro factors that are driving business decisions – operational costs, utility costs, having too much space for hybrid working etc. A number of businesses have closed, although there have been no major

economic shocks or losses. However, businesses are changing how they operate, and we are seeing larger office spaces contract and higher demand for co-working office space of high quality on flexible terms. City Centre retail is contracting, and we know that our city centre will need to adapt to the changing demands and needs of customers. The review of the adopted Local Plan will address the need for a flexible approach to employment space provision in an evolving global, national and local economy. Given national and local economic factors a review of employment land provision is being undertaken as part of the review of the adopted Local Plan to ensure that the Local Plan allocations provide for sufficient flexibility and to meet the Council's wider economic vision

2.10 More information on the Chelmsford economy is given the Integrated Impact Assessment of the review of the adopted Local Plan: Issues and Options Consultation Document, August 2022.

3. Issues and Options

Policy Context

National Policy

- 3.1. All policies in the Local Plan must be positively prepared, justified, effective and consistent with national policy. The National Planning Policy Framework (NPPF) sets out the overarching planning policy framework, supported by National Planning Practice Guidance (PPG).
- 3.2. The adopted Local Plan (2020) was examined using the 2012 NPPF. There have subsequently been updates to the NPPF and the review of the adopted Local Plan needs to be considered against the requirements of the 2021 NPPF.
- 3.3. Although some areas of the NPPF remain unchanged in respect of economy, any new development proposals and policies will still need to be tested against the relevant NPPF requirements. There are also some areas of the NPPF which have been updated/amended since the adoption of the Local Plan that will need to be reflected.
- 3.4. The NPPF 2021 states that the purpose of the planning system is to contribute to the achievement of sustainable development. The economic objective is to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity; and by identifying and coordinating the provision of infrastructure (paragraph 8).

3.5 Chapter 6 (Building a strong, competitive economy) states that planning policies should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development. The approach taken should allow each area to build on its strengths, counter any weaknesses and address the challenges of the future. (Paragraph 81). It goes on to state that planning policies should:

- set out a clear economic vision and strategy 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
- seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment
- be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices (such as live-work accommodation), and enable a rapid response to changes in economic circumstances
- recognise and address the specific locational requirements of different sectors including for storage and distribution
- support the sustainable growth and expansion of all types of business in rural areas, and
- should recognise that sites to meet local business and community needs in rural areas may have to be found adjacent to or beyond existing settlements. (Paragraphs 82-85)

3.6 The Council has completed a review of the adopted Local Plan against the requirements of the 2021 NPPF. Much of the Local Plan meets most requirements in respect to economy. It has also been tested through the development management process and found to be working effectively, and site allocations for new employment development are progressing in line with projections. There are some aspects of the adopted plan which are not fully reflected given that the Local Plan was adopted prior to the latest version of the NPPF. These include Strategic Policy S8 and Local Policy DM4 to reflect changes to the Use Class Order. Changes are also required to ensure that the plan continues to meet future employment needs to 2041 including potential new employment site allocation policies.

3.7 The table below sets out the key issues to be considered at the Regulation 18 Issues and Options Stage. This assesses the adopted Local Plan against the key NPPF requirements in respect of economy and identifies Chelmsford City Council's assessment of the adopted Local Plan's compliance with the 2021 NPPF. The proposed approach to the review of the adopted Local Plan is then set out using the following colour codes:

The following quick reference colour codes in **column A** helpfully identify new or revised NPPF requirements since the adoption of your plan (which was examined under 2012 NPPF):

Key:

New plan-making requirement of the NPPF 2019 and/or NPPF 2021 not contained within the previous 2012 version
Revised plan-making requirement of the NPPF, containing some changes from the 2012 version
Requirement of the NPPF which has not changed from the 2012 version in relation to plan-making

Column C then assesses the adopted Local Plan against the NPPF requirements and identifies CCC's assessment of the adopted Local Plan's compliance with the 2021 NPPF using the following colour codes:

Key:

Adopted Local Plan meets NPPF requirement
Adopted Local Plan partially meets NPPF requirement
Adopted Local Plan does not meet NPPF requirement

	A. NPPF Requirement (Economy)	B. NPPF Paragraph Reference	C. Local Plan Approach
1.	Create conditions in which businesses can invest, expand and adapt.	NPPF Para 81	Set out in adopted Local Plan (Strategic Policies S6, S7, S8, S12, Policies DM4, DM5, DM6 to DM12). Need to review these and consider economic changes since adoption, including impact of COVID 19, and ensure any amendments through the review continue to be NPPF compliant. Partial review required to address this NPPF requirement.
2.	Set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to Local Industrial	NPPF Para 82	Set out in adopted Local Plan (Strategic Policies S6, S7, S8, S12, Policies DM4, DM5, DM6 to DM12). Need to review these and consider economic changes since

	A. NPPF Requirement (Economy)	B. NPPF Paragraph Reference	C. Local Plan Approach
	Strategies and other local policies for economic development and regeneration.		adoption, including impact of COVID 19, and ensure any amendments through the review continue to be NPPF compliant. Partial review required to address this NPPF requirement.
3.	Set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period.	NPPF Para 82	Set out in adopted Local Plan (Strategic Policies S6, S7, S8, S12, Policies DM4, DM5, DM6 to DM12). Need to review these and consider economic changes since adoption, including impact of COVID 19, to ensure the right type and amount of land/sites is included in the review. Ensure any amendments through the review continue to be NPPF compliant. Partial review required to address this NPPF requirement.
4.	Seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment.	NPPF Para 82	Need to review evidence to ensure it covers these and consider economic changes since adoption, including impact of COVID 19, and identify any potential barriers. Ensure any amendments through the review continue to be NPPF compliant. Partial review required to address this NPPF requirement.
5.	Be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices (such as live-work accommodation), and to enable a rapid	NPPF Para 82	Need to review evidence to ensure it covers these and consider economic changes since adoption, including impact of COVID 19 and working from home. Ensure any amendments

	A. NPPF Requirement (Economy)	B. NPPF Paragraph Reference	C. Local Plan Approach
	response to changes in economic circumstances.		through the review continue to be NPPF compliant. Partial review required to address this NPPF requirement.
6.	Recognise and address the specific locational requirements of different sectors. This includes making provision for clusters or networks of knowledge and data-driven, creative or high technology industries; and for storage and distribution operations at a variety of scales and in suitably accessible locations.	NPPF Para 83	Policy S8 refers to supporting different sectors. We are aware of the demand for additional storage and distribution floorspace in Chelmsford and this is being addressed in the review of the adopted plan. In terms of other sectors, the local economy is based upon strengths across a range of sectors. The City Council is working with a range of partners to focus on particular sectors that include high tech/research and development (including medical technology, quantum and space technology), financial and business services and retail/culture/visitor. The new employment evidence base will address how the Local Plan can best support these sectors and alongside private sector partners, the Universities and the County Council, a refreshed Economic Strategy for Chelmsford and the North Essex Economic Area will target an approach to supporting these sectors to support the local economy.
7.	Enable the sustainable growth and expansion of all types of business in rural areas, both through conversion of existing	NPPF Para 84	Set out in adopted Local Plan (Strategic Policy S8, S11, Policies DM4, DM6 to DM12). Check policies to ensure latest wording

	A. NPPF Requirement (Economy)	B. NPPF Paragraph Reference	C. Local Plan Approach
	buildings and well-designed new buildings.		of the NPPF is reflected in these policies and any amendments through the review continue to be NPPF compliant.
8.	Enable the development and diversification of agricultural and other land-based rural businesses.	NPPF Para 84	Set out in adopted Local Plan (Strategic Policy S8, S11, Policies DM6 to DM12). Check policies to ensure latest wording of the NPPF is reflected in these policies and any amendments through the review continue to be NPPF compliant.
9.	Enable sustainable rural tourism and leisure developments which respect the character of the countryside.	NPPF Para 84	Set out in adopted Local Plan (Strategic Policy S8, S11. Policies DM6 to DM12). Check policies to ensure latest wording of the NPPF is reflected in these policies and any amendments through the review continue to be NPPF compliant.
10.	Enable the retention and development of accessible local services and community facilities, such as local shops, meeting places, sports venues, open space, cultural buildings, public houses and places of worship.	NPPF Para 84	Set out in adopted Local Plan (Strategic Policy S5, S9, S10, S12. Policies DM20 to DM22). Check policies to ensure latest wording of the NPPF is reflected in these policies and any amendments through the review continue to be NPPF compliant.
11.	Recognise that sites to meet local business and community needs in rural areas may have to be found adjacent to or beyond existing settlements, and in	NPPF Para 85	Adopted Local Plan allocates Rural Employment Areas. Need to review suite of rural/countryside/employment/community facility policies to ensure these issues are covered. Currently lacking reference to

	A. NPPF Requirement (Economy)	B. NPPF Paragraph Reference	C. Local Plan Approach
	locations that are not well served by public transport.		enable business uses particularly outside of Defined Settlement Boundaries or allocated employment areas. Ensure any amendments through the review are NPPF compliant.

3.8 The Plan-making part of the Planning Practice Guidance (PPG) stresses the need for a clear understanding of business requirements in their area in order to assess:

- the need for land or floorspace for economic development, including both the quantitative and qualitative needs for all foreseeable types of economic activity over the plan period, including for retail and leisure development
- the existing and future supply of land available for economic development and its suitability to meet the identified needs. (Paragraph: 041 Reference ID: 61-041-20190315).

3.9 New national Permitted Development Rights introduced in 2020 allow for the change of use of some offices and employment premises to dwellings and other uses including shops, without the need for a planning application. Amendments to the Use Class Order also allow greater flexibility to change uses within high streets and town centres. As a result, changes to existing policies will be required, including the approach of protecting retail and employment uses, although this will follow the consideration of further evidence gathering and consultation feedback.

Local Plan Policy

3.10 The adopted Local Plan supports and encourages local economic development by allocating new sites for employment uses, protecting existing employment sites from other competing uses and encouraging the growth of the rural economy. It concentrates large new scale employment development sites as part of strategic new development sites on the edge of Chelmsford Urban Area at Beaulieu, Sandon and Chelmsford Garden Community.

3.11 The current plan also identifies growing employment sectors that are set to create new jobs over the next 20 years (Strategic Policy S8). It further seeks to maintain and enhance the vitality of our city, town and local centres (Strategic Policy S12). Other current Local Plan policies that relate to this topic include:

- S6 – Housing and Employment Requirements
- Policy DM4 – Employment Areas and Rural Employment Areas

3.12 And relevant site allocation policies including:

- Strategic Growth Site Policy 3b - East Chelmsford – Land North of Maldon Road (Employment) – allocates around 5,000sqm of new Use Class B1 floorspace, or other appropriate B Use Classes
- Strategic Growth Site Policy 6 – North East Chelmsford – includes the provision of 45,000sqm of floorspace in a new office/business park providing a range of unit sizes and types, and
- Special Policy Areas SPA1-6 - enables the operational and functional requirements of these facilities or institutions to be planned in a strategic and phased manner.

3.13 The review of the adopted Local Plan will continue to have an important role in driving and supporting sustainable economic development to deliver jobs and in maintaining a prosperous and balanced local economy.

Duty to Co-operate

3.14 The Council is committed to co-operating with other bodies on strategic planning matters. The Duty to Co-operate Strategy was reviewed and adopted in January 2022.

3.15 The Council will make every effort to seek co-operation on cross-boundary and strategic planning matters in a focused, positive and structured way. We will discuss the Review of the Adopted Local Plan with neighbouring planning authorities and the prescribed bodies at stages which align with and inform the stages of the Review of the Adopted Local Plan. These discussions will help to formulate the quantum and distribution of Chelmsford's future growth, which will be supported by updated evidence.

3.16 At the same time, we will continue to work constructively with nearby planning authorities on their own local plan preparation. Early engagement and demonstrating co-operation both with neighbours and the prescribed bodies through Statements of Common Ground are key to meeting the legal duty to co-operate.

3.17 In some cases, discussion on strategic matters will continue through existing joint working arrangements. We will also arrange meetings and prepare Statements of Common Ground.

3.18 The strategic matters that may apply to the review of the adopted Local Plan have been identified as follows:

- Delivering homes for all including Gypsy and Traveller accommodation
- Jobs and economy including green employment and regeneration
- Retail, leisure, and cultural development
- Sustainable transport, highways and active travel
- Climate change action and mitigation including flood risk and zero carbon
- Natural and historic environment including increased biodiversity and green/blue/wild spaces and connectivity of ecological networks
- Community infrastructure including education, health and community facilities
- Utility infrastructure including communications, waste, water and energy
- London Stansted Airport future airspace redesign.

Integrated Impact Assessment

3.19 The Council is carrying out an ongoing Integrated Impact Assessment (IIA) as the Review of the Adopted Local Plan develops. The IIA will assess the following aspects of sustainable development:

- Sustainability Appraisal (SA)
- Strategic Environmental Assessment (SEA)
- Habitats Regulations Assessment (HRA)
- Health Impact Assessment (HIA)
- Equality Impact Assessment (EqIA)

3.20 The SA, SEA and HRA are a requirement of national policy. The HIA and EqIA are voluntary, but the Council believes they will help to provide a complete picture of the sustainability of the Review of the Adopted Local Plan.

3.21 The IIA identifies the key sustainability issues for the Review of the Adopted Local Plan, which feed into a framework against which proposals will be assessed. It will cover the potential environmental, social, economic and health performance of the Local Plan and any reasonable alternatives. It will be used at each stage of the review of the adopted Local Plan, and be subject to separate consultation, as follows:

- Scoping Report
- Issues and Options – Current Stage
- Preferred Options
- Submission
- Adoption.

3.22 The Issues and Options IIA appraises key sustainability issues (Table 3.19) and Appraisal Framework Objectives (Table 4.1) relating to this Topic Paper. Please see the Issues and Options IIA for more information.

Evidence base

3.23 In accordance with the requirements of the NPPF, policies and their requirements should be based on up to date evidence. A number of evidence base studies were developed to inform and support the adopted plan. These include the Chelmsford City Centre Office Market Review, Chelmsford Retail Study Update, Employment Land Review, Chelmsford Economic Strategy and Delivering Economic Growth in Chelmsford to 2036.

3.24 New and updated employment evidence base will be prepared to inform the review of the adopted Local Plan to identify future trends, supply and needs, longer term impact of the Covid pandemic, changes to working practices and the need to support the growing green economy. The revised evidence base will provide a full supply v demand analysis in the context of changing employment needs, trends and challenges to ensure that the Plan review contains sufficient land and policy approaches to maximise Chelmsford's future economic growth. Through this process we will also look at other emerging issues that we may wish to address. Key economic and employment related issues identified so far include:

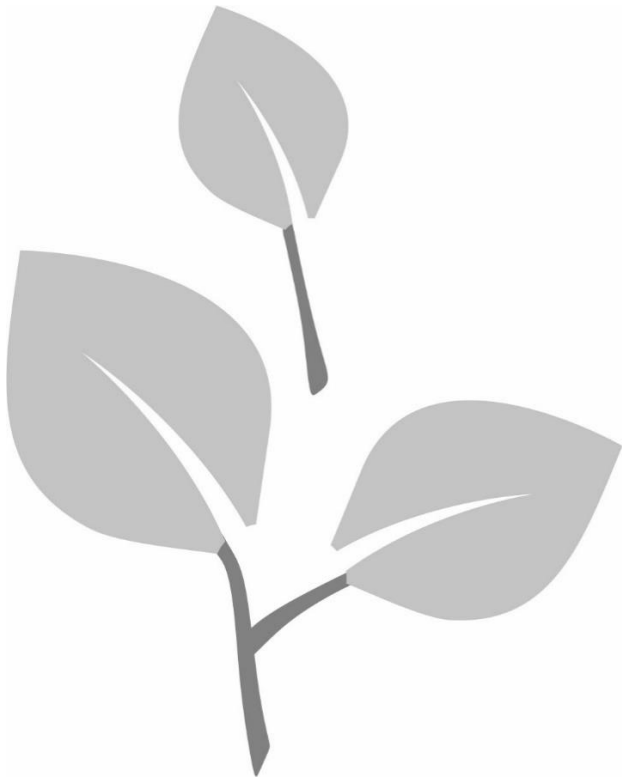
- Providing facilities where people from different businesses can share working spaces or premises as well as supporting services
- Supporting Small and Medium Enterprises (SME) and business start-ups by providing facilities for co-working space and grow on space
- Allocating additional employment space to meet future needs identified
- Reflecting new legislation which allows the conversion from offices and light industrial premises to residential and other uses without planning permission
- Delivering a range of diverse employment sites with different employment uses to support economic growth and maintain Chelmsford's position as a diverse, well balanced and strong local economy
- Ensuring a flexible supply of land and premises for employment development in a changing employment context (including retail restructure, pandemic and changing commuting patterns etc)
- Supporting economic development in the rural areas of Chelmsford

- Supporting the growth of new sectors linked to the growth of Anglia Ruskin University such as medical technologies and to support the Essex Sector Development Strategy for other target sectors, including quantum and space
- Nurturing the growth of existing sectors such as the creative sector and tourism sector
- Supporting the growing green economy
- Ensuring that the employment opportunities in the Garden Community maximise the delivery of the adopted Garden Community Principles and support the development of 5,500 new homes
- Looking beyond the Chelmsford administrative area and embracing the opportunities presented across wider economic geographies, including the North Essex Economic Board area and London
- Requiring development and end-use Employment and Skills Plans for larger developments to align construction skills and job opportunities with training provision.

3.25 Updated evidence that has been commissioned includes an employment land review and retail study update to forecast need for employment and retail floorspace over the plan period and how we can meet these needs. The 2022 Strategic Housing and Employment Land Availability Assessment (SHELAA) will also review suitable land for potential new employment growth and business employment land. The outcomes of this work will feed into the preferred options review plan be summarised in future updates to this topic paper.

4. Next Steps

4.1 This Topic Paper will be updated and expanded on following feedback to the Issues and Options consultation and progress of evidence based documents. An updated version will then be published at the next stage of Local Plan Consultation (Preferred Options) setting out the progress made and the reasoning behind the proposals in the Preferred Options Consultation Document.



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