

Planning and Transportation

LUTON LOCAL PLAN (2011-31)

Economy & Employment Background Paper

April 2016

Economy Background Paper

1 Purpose of a Background Paper

1.1 Background papers are an important source of information helping to outline and explain how policies in the submission version of the Luton Local Plan 2011-2031 have been prepared.

1.2 Preparation of the plan has taken place over several years. One of the main roles of a background paper is to set out the approach taken to developing policies and the response to various overlapping factors that have been relevant to the process, such as:

- Recognising that evidence prepared at different times or focusing on different objectives, issues and specialist areas should be considered ‘in the round’. Studies are often prepared concurrently, but at other times further consideration helps to explain the interaction between different findings.
- Government policy including that set out in the National Planning Policy Framework (NPPF) and National Planning Practice Guidance (NPPG), which might have changed whilst the plan was being prepared. Recent changes to rights for permitted development (such as ‘office-to-residential’) are one such example.
- Changes in the local and national economy influencing potential demand for different development types, such as changes in house prices or designation of the Luton Airport Enterprise Zone.
- Looking across all the evidence and consultation responses to inform overall views on:
 - The most appropriate balance between policy topics and of land uses for the plan;
 - Where relevant, the most appropriate targets for specific development types or outcomes; and
 - The most appropriate sites and strategic locations to meet different requirements.
- Specific national policy requirements such as the preparation of a strategic housing market assessment and an objective assessment of housing and employment needs, which do not have regard to potential constraints such as a lack of sites or the presence of Green Belt designations.
- Taking account of how evidence and emerging proposals relate to plan-making activities in nearby authorities as part of the duty to co-operate. This helps to understand the relationship between different land uses and the ability to provide for different needs such as employment, retail and housing.
- Taking account of more recent evidence undertaken since relevant studies were first completed or alternate sources of evidence that might suggest different answers or preferable options.
- The relationship with infrastructure provision, including the existing position, programme for future work and sources of available and required funding.

1.3 When tackling these factors ‘in the round’ it is not always appropriate or possible to translate recommendations from one particular study or local plan stakeholder directly into policy.

1.4 The council has prepared a series of background papers. The ‘Overall Approach’ paper sets out the context to the plan’s preparation as a whole. This is then supplemented by a series of topic based papers and a separate duty to co-operate statement. The aim of each is to demonstrate the ‘direction of travel’ for each topic and how this provides the most appropriate strategy for the future development and growth of Luton. The intention is to signpost rather than to duplicate the detailed technical evidence that is already available in the evidence base.

1.5 The background papers have a common structure identifying (Section 2) the topic(s) covered, (Section 3) the main issues addressed in the main body of the report, (Section 4) a listing of the relevant part of the evidence base, (Section 5) the main body of the report addressing the issues and (Section 6) concluding remarks.

2. THE TOPIC FOR THIS BACKGROUND PAPER – ECONOMY AND EMPLOYMENT

2.1 This background paper briefly sets out the approach to the economic strategy behind the Submission Local Plan (the plan). The economic strategy is based on the objective evidence set out in the Employment Land Review 2013 (ELR 2013) and Employment Sites Assessment Update 2015 (ESAU 2015), which has shaped the consequent employment policy formulation within the plan.

2.2 The paper therefore, covers the justification of the jobs target and employment land supply for Luton’s administrative area over the plan period 2011 to 2031 and in particular:-

1. the adopted 17,800 jobs target in the ELR 2013 and the scenarios in the ELR 2013;
2. the quantum of 69 ha of employment land proposed within the Strategic Allocations
3. the protection of key category (a) employment land;
4. the safeguarding of category (b) employment land for employment over the plan period and release for other uses only when specific criteria are met;
5. contribution of the poorest quality land to meeting other needs such as housing regeneration and for other uses;
6. the balance of labour/housing in the context of the town and the wider conurbation and Functional Economic Market Area;

2.3 Section 5.1 of the plan succinctly sets out the approach to employment, jobs and the economy. Key issues are set out in 5.2 to 5.11. The relevant vision and key objectives context is set out in Appendix 1 to this note.

2.4 The ELR 2013 Study covers Luton’ administrative area but also provides analysis of the wider Functional Economic Market Area context for Luton¹ and is in general conformity with the NPPF requirements but predates the more up to date methodology guidance published in the NPPG in the summer 2014.

2.5 Consequently, on 24th September 2014 under the ‘duty to cooperate’, both Luton (LBC) and Central Bedfordshire Council (CBC) met and discussed cross boundary planning evidence and a subsequent need to commission a joint FEMA study (LBC letter of 23rd October 2014 and 23rd January 2015 to CBC). However, because of Central Bedfordshire’s plan examination, subsequent

¹ section 2.25 – 2.27 ECON 003

legal challenges and concerns over using retained consultants (potential conflicts of interest), a joint FEMA study proved not to be possible.

2.6 In March 2015 in order to make progress on land supply for its local plan preparation, Luton was obliged to progress its' sites assessment 'ESAU 2015 study' using Nathaniel Lichfield & Partners (NLP). In June 2015 both authorities agreed to commission separate FEMA studies but to ensure consistency by coordinating on respective methodologies and reference groups (including with other local authorities), as closely as possible. Luton commissioned NLP to progress its FEMA study in October 2015. A joint local authority workshop was held on the 11th February 2016 to review early methodology and outputs. As a result, the methodology will be further refined and outputs are therefore, not anticipated until July/August 2016. This work will therefore, inform the Joint Growth Options Study commissioned with Central Bedfordshire in February 2016.

3. The Main issues for this Background Paper

3.1 Luton is a heavily urbanised town with a growing population, economy and service base serving the Luton/Dunstable/Houghton Regis conurbation, and the wider sub region via excellent transport links². However, Luton is already built up to its boundary and is surrounded by Green Belt and so is reliant on existing allocated sites and recycling of land to meet its needs - with any unmet needs to be provided via the 'Duty to Co-operate'. The key issues facing the town are briefly:-

- safeguarding economic prosperity, balanced with housing and services for a rapidly growing resident population but also increasingly, for inward migrants originating from the wider Housing Market Area (HMA)) and particularly from Greater London³
- providing quality and value added jobs for workers in the sub region commuting into Luton⁴ driven by a significant proportion of workers commuting into Luton from across its wider HMA which also mirrors its migration pattern⁵
- pursuing sustainable economic growth - moderating the high level of commuting flows to a sustainable balance -interim evidence from the FEMA workshop suggests that the FEMA catchment is likely to reflect the HMA geography and that commuting flows have strengthened within the HMA/potential FEMA (e.g. 42% of inward commuters are from Central Bedfordshire, 19% from Hertfordshire and 6 % from Buckinghamshire)⁶.

3.2 Luton's economic base and employment land stock has undergone and continues to undergo restructuring but is performing well in terms of job growth. Some manufacturing sectors continue to decline while other manufacturing sectors grow. Wealth is nevertheless also being created from existing traditional firms doing business - evidenced by high occupancy levels in affordable but modest or sub-prime B class accommodation⁷. In addition there is significant growth in employment sectors associated with⁸:-

- automotive manufacture and high value engineering clusters and increasingly aviation (as London Luton Airport continues to expand⁹)

2 sections 3 – 4 ECON 003

3 section 2.25 and figure 6 HOU 003B

4 sections 2.19, 2.25-2.26 ECON 003

5 section 4.6 and Figure 32 HOU 003d

6 Luton FEMA workshop 2016 ONS Census 2011 Origin Destination data

7 section 7 ECON 003

8 section 8 and page 68 para 8.7 – 8.8 and Appendix 3 ECON 003

9 Page 30 section 4.24, page 70 para 8.10 – 8.15 ECON 003

- relatively low representation in knowledge based sectors but significant potential drivers and a need to foster such research and development including innovation and small firms/start-ups e.g. Butterfield Technology Park¹⁰
- successful B1 office parks (e.g. at Capability Green Business Park)
- transport, distribution and construction
- professional, finance and business services, the service sector more generally (e.g. retail arts/entertainment) as Luton continues to diversify.

3.3 Luton through its submission plan must therefore:-

- continue to foster inward investment of growing employment sectors while facilitating diversification of existing sectors and skills for Luton and the wider HMA/FEMA
- address the need for the replacement of jobs in declining sectors particularly within some manufacturing sectors as the recent market turn around and demand for industrial land demonstrates¹¹
- ensure that office space is delivered on available key sites, with modest potential in the town centre but particular demand on the edge of Luton (South of Stockwood Park, junction 10a) to address a B1 shortfall¹²
- balance the available labour supply to match the jobs target by meeting unmet housing needs as close to Luton as possible and on sustainable transport nodes and corridors
- ensure a range of job opportunities provide for a range of available skills (e.g. for skilled and value added occupations as well as for unskilled or semi-skilled occupations¹³
- deliver and connect up the remaining portfolio of Luton's undeveloped good quality key employment sites through infrastructure delivery (e.g. junction 10a, Luton – Dunstable Busway etc.) to ensure that new land comes forward to meet forecast needs¹⁴ including to renew or replace industrial space where there is a demand but little new supply becoming available¹⁵:-
 - Century Park/London Luton Airport,
 - Napier Park,
 - land south of Junction 10a
 - Butterfield Technology Park
 - Power Court
- ensuring that only the poorest performing and obsolete employment land is recycled¹⁶ for housing and other needs including supporting regeneration focussed Strategic Allocations (e.g. High Town and Marsh Farm) and supporting infrastructure - such as education which is a constraint on housing growth
- safeguarding sub-prime industrial space which is highly occupied¹⁷ so that firms can continue to do business in Luton until new stock is provided, while also ensuring that more land can be recycled towards future housing and infrastructure needs when market conditions are met
- providing homes, supported by schools, further/higher education and other services within a severely constrained land supply

¹⁰ Page 30 section 4.25 – 4.28 ECON 003

¹¹ ECON 0012 – Letter from Lambert Smith Hampton 2015

¹² Section 8.32 ECON 0003

¹³ Section 8.28 ECON 003

¹⁴ Executive Summary Section 26 - 27 ECON 003

¹⁵ ECON 0012 – Letter from Lambert Smith Hampton 2015

¹⁶ Executive Summary Section 28 ECON 003

¹⁷ Executive Summary Section 20 -25 and 28 ECON 003

- to respond to these opportunities and challenges by taking a positive but cautious approach to growth over the plan period¹⁸

3.4 The issues identified above are explored in section 5 of this report in the following sequence:

- Jobs target and Scenarios
- The quantum of 69 ha of employment land proposed within the Strategic Allocations
- The protection of key category a) employment land
- The safeguarding of category b) employment land for employment over the plan period and release for other uses only when specific criteria are met
- Contribution of the poorest quality land to meeting other needs such as housing regeneration and for other uses
- The balance of labour/housing in the context of the town and the wider conurbation and Functional Economic Market Area
- Summary of key aspects of National Policy

4. Key Evidence Studies informing this Background Paper

4.1 The following studies inform and should be read alongside this Background Paper

- HOU 003B - Luton and Central Bedfordshire Strategic Housing Market Assessment Refresh, 2014, ORS
- HOU 003C - Luton and Central Bedfordshire Strategic Housing Market Assessment, 2015, ORS
- HOU 003D - Luton Housing Market Area Study, 2015, ORS
- HOU 004A - Strategic Housing Land Availability Assessment (SHLAA), April 2015, Luton Borough Council
- ECON 003 - Employment Land Review Study, Final Report, March 2013, Nathaniel Lichfield & Partners
- ECON 003A - Luton ELR - 2015 Employment Site Assessments, August 2015, Nathaniel Lichfield & Partners
- ECON 0012 – Letter from Lambert Smith Hampton 2015
- CEN 004 - Employment Land Review and Town Centre office business re-use study, May 2013, Peter Brett Associates
- DEL 002 - Monitoring Report, December 2012, Luton Borough Council
- DEL 002 – Local Authority Monitoring Report 2015 - April 2016 – Luton Borough Council (In preparation)
- DEL 004 - Infrastructure Delivery Plan, October 2015, Luton Borough Council

¹⁸ Executive Summary Sections 20 -25 and 28 ECON 003

5. Economic Strategy and Policy Justification

Jobs target and Scenarios

5.1 The justification for the jobs target is set out within section 8.0 (page 72) of the Employment Land Review 2013 study which assesses two jobs forecast scenarios over the plan period. This includes three additional b class land development scenarios (i.e. a total of 5 future growth scenarios). The scenarios drive the demand for land, and are then measured against available capacity and land supply.

5.2 The study also considers whether Luton's growth should be based purely on objective EEFM forecasts or should be more 'aspirational' (above EEFM) reflecting Luton's sub regional role, recent development performance, the need to provide local jobs, achieve sustainable commuting patterns, and deliver significant economic opportunities arising from planned interventions (e.g. London Luton Airport expansion, Junction 10a etc).¹⁹ The scenarios include:-

- Scenario 1. East of England Forecasting Model (EEFM) Bespoke Luton Demography 2012 based Jobs forecasts (+17,825 jobs)
- Scenario 2. ONS Luton Demography EEFM baseline (+17,600 jobs)
- Scenario 3. a development based scenario looking at future employment land needs based on past take-up (i.e. net annual completions of B1-B8 space)
- Scenario 4. a development-led scenario assuming lower future development rates
- Scenario 5. a development-led scenario assuming accelerated future development rates.

5.3 The following paragraphs and tables explain the implications for Luton arising from the scenarios commencing with Scenarios 1 and 2 which are based on the EEFM before looking at Scenarios 3 to 5 which are land-based.

	No. of Jobs		Change
	2011	2031	2012-2031
Manufacturing (B1c/B2)	13,375	10,155	-3,220
Distribution (B8)	8,595	10,695	2,100
Offices (B1a/b)	18,230	27,030	8,700
Total B class jobs	40,200	47,880	7,670
Jobs all sectors	96,350	114,175	17,825

[The EEFM is an integrated model factoring national trends and assumptions e.g. GDP with local demography and employment trends split by employment (SIC) sector and commuting, the outputs from the model are unconstrained and 'policy off' i.e. they do not allow for any policy interventions such as key infrastructure investment. Guidance on the methodology is set out in the EEFM 2014 technical report <http://www.cambridgeshireinsight.org.uk/file/2675/download>].

5.4 Scenario 1 models Luton Borough Council's own 2012 population estimates rather than using ONS demography. The +17,800 jobs comprise circa +8,000 B Class jobs and +10,000 non B Class jobs

¹⁹ Section 2.5 page 4 ECON 003

²⁰ Page 46 section 6.4-6.7 and Table 6.1 EEFM ECON 003

(rounded). The net increase in jobs is marginally lower than the predicted net increase in Luton’s labour force at +18,500 (rounded) and reflects some out commuting as currently happens²¹.

5.5 Scenario 2 produced by EEFM using ONS demography for Luton predicts +17,600 jobs over the plan period assuming ONS population and migration change in the borough.²² The key differences between scenario 1 and scenario 2 relate to Luton’s higher estimates of population with resulting increased demand (e.g. for services) which account for marginally higher jobs in scenario 1.²³

5.6 To consistently compare all scenarios, scenarios 1 and 2 (i.e. circa 8,000 B Class jobs) are converted into a net demand for B class floorspace²⁴ using floorspace worker ratios. This is then converted to a gross requirement for floorspace (i.e. building in allowances for a ‘safety margin’ (see note to table 2 below). Subsequently this figure is then converted to a gross requirement for land using plot size ratios.

5.7 Scenarios 1 – 5 gross floorspace requirements are summarised in Table 2.

Scenario	Labour Demand Sqm		Past Development Rates Sqm		
	1.LBC EEFM	2.ONS EEFM	3.Past take up	4.Lower take up	5.Higher take up
Offices (B1a)	133,200	132,300	147,600	125,900	159,200
Industrial B1c/B2/B8	96,200	93,800	175,000	90,500	199,600
All B classes	229,400	226,200	322,600	216,400	358,800
<i>Figures include; a 10% allowance to reflect normal market vacancy; an added floorspace safety margin of 9% B1 offices (11,600 sqm) and 19% B1c/B2/B8 (9,000 sqm) for planning delays²⁶, forecasting errors and market choice; a further gross requirement via a modest allowance for losses +1,000 sqm p.a. for offices and +3,800 sqm p.a. for industry (which is below past rates para 6.36-6.37 ECON 003)</i>					

5.8 The gross floorspace figures in Table 2 are converted using the plot ratios bulleted below, to a land requirement and equivalent jobs as shown in Table 3:-

- Industrial – a plot ratio of 0.4 is applied e.g. a 1 ha site would be needed to accommodate 4,000 m2 of industrial floorspace;
- Offices – an assumption is applied that 70% of new office floorspace in Luton would be in lower density developments with a plot ratio of 0.4, and the remaining 30% of new office floorspace in higher density urban locations/town centres at a plot ratio of 2.0.

21 Page 54 section 6.34 ECON 003

22 Page 47 para 6.11

23 Econ 002

24 Table 6.8 page 50 ECON 003

25 Table 6.10 page 52 ECON 003

26 Page 51 sections 6.2-6.25 ECON 003

Scenario	Labour Demand Ha		Past Development Rates Ha		
	1.LBC EEFM	2.ONS EEFM	3.Past take up	4.Lower take up	5.Higher take up
Offices (B1a)	25.3	25.1	28.0	23.9	30.2
Industrial B1c/B2/B8	24.1	23.5	43.8	22.7	49.9
All B classes	49.4	48.6	71.8	46.5	80.1
Jobs	7,660	7,560	13,100	9,600	14,700

5.9 The quantified B Class land requirement for accommodating the five scenarios is sensitivity tested against rates of job growth and development in Luton in recent years:-,

- Rates of floorspace development - scenarios 3-5 imply that jobs would exceed the EEFM scenarios and also outstrip labour supply, implying some increased in-commuting from the surrounding area²⁸
- The demand scenarios suggest an optimistic level of job growth compared to recent years (because of manufacturing losses)– however, this reflects a period of severe recession and weak recovery²⁹ and should nevertheless, be achievable particularly when looking at harder evidence for recent land development rates and planned investments³⁰
- The safety margin, gross and vacancy allowances proposed in each scenario are modest and justifiable given; Luton’s constrained land supply; recent trend losses; a high industrial occupancy;³¹ and scope for further B1 losses to housing in and around the town centre;³²
- The unusually low industrial vacancy level is below the range of what is needed in a normal market to allow churn or for developer/occupier choice and while B1 office vacancies are only slightly above normal levels, there is no surplus to add to current supply³³
- A greater potential for out-of-town office growth significantly increases the land demand compared to capacity in the town centre³⁴
- For industrial space, past take up may be a better predictor of need because of the divergent relationship of jobs and floorspace³⁵

²⁷ Table 6.11, page 52 ECON 003

²⁸ Page 53/54 section 6.34 ECON 003

²⁹ Page 54 section 6.35 ECON 003

³⁰ Page 73 section 8.29 to 8.31 ECON 003

³¹ Page 54 section 6.36 – 6.38 ECON 003

³² Page 59 section 7.5 ECON 003

³³ Page 59 section 7.6 ECON 003

³⁴ Page 55 section 6.39 ECON 003

³⁵ Page 55 section 6.40 ECON 003

The quantum of 69 ha of employment land proposed within in the Strategic Allocations^{5.10} Table 4 shows the quantum on land and floorspace available on Luton’s strategic allocations in 2012/13.

Table 4 Luton Available Employment Land/floorspace 2011³⁶			
	Industrial B1c/B2/B8	Offices (B1a) R&D (B1(b))	All B classes
Land (ha)	38.1	31.1	69.2*
Floorspace Sqm	154,770	120,600	275,370**
* 60% industrial (figure Includes 5-6 ha B1 for allocation at J 10a (otherwise supply is 63.2 ha)			
** Includes 24,000 sqm of B1 office J10a B1 allocation (otherwise supply is 251,370 sqm)			
[Note: The current 2015/16 figures suggest Century Park circa 37.9 ha; Butterfield circa 16.9 ha; half of Napier Park circa 8.58 ha totalling 63.28 ha adding J10a south of Stockwood Park circa 5-6 ha totals circa +69 ha including an element of B1 on Power Court . However, there is now anticipated loss of a significant portion of Napier Park see section 5.20 below]			

5.11 The gross land supply in the B class allocations comprise Century Park; Butterfield; J10a south of Stockwood Park; a portion of Napier Park and an element of B1 on Power Court. The summary ELR 2013 study findings are that:-

- the available floorspace and employment land within Luton of circa 69 ha (assuming land north of junction 10a becomes available for B1 offices) suggests broadly sufficient supply to accommodate Scenarios 1, 2 and 4 i.e. EEFM forecasts and lower past development rates but not enough if past rates resume or accelerate³⁷
- Industrial capacity suggests a similar overall position³⁸ against the scenarios however, under all scenarios there is a shortage for B1 office demand³⁹
- there is a critical dependency with an assumption that two large strategic sites (representing the bulk of industrial B class supply), will be delivered over the plan period (e.g. Napier Park and Century Park)⁴⁰
- the market perspective suggests a recovery in commercial activity in particular, for industrial space and the key allocations (e.g. Butterfield) and builds on Luton’s economic potential with London Luton Airport expansion encouraging economic growth
- aiming somewhere between scenario 1 to 4 will ensure opportunity and choice in land supply which is in step with guidance in the NPPF to encourage economic growth “whereas the risks of underproviding may be greater than over provision”⁴¹
- therefore, as a basis for future planning, a figure somewhere between scenario 3 and 4, (i.e. between 49ha -72 ha (rounded)) is recommended unless a more aspirational approach is preferred by the Council⁴² - however, the Council would need to be mindful of sustainable commuting levels, meeting other needs such as housing supply⁴³ and education⁴⁴

³⁶ Table 7.1 page 59 ECON 003

³⁷ Page 60 section 7.7 table 7.2

³⁸ Page 60 section 7.10 and table 7.3 ECON 003

³⁹ Page 61 section 7.11 and table 7.4 ECON 003

⁴⁰ Page 60 section 7.8 ECON 003

⁴¹ Page 56 section 6.46 to 6.48 ECON 003

⁴² Page 55 section 6.40 ECON 003

⁴³ Page 56 section 6.48 ECON 003

⁴⁴ Page 72/73 section 8.28 and 8.30 ECON003

- this recommended approach would not depart significantly from scenarios 1 and 2 EEFM job forecasts i.e. 17,800 jobs and the lowest land take up (circa 20,000 jobs).

5.12 There have been changes in the economy and local circumstances since the publication of the ELR 2013 Study and the above findings need to be tempered by subsequent evidence, and are revisited in sections 5.14 to 5.19.

5.13 The estimated gross jobs potential from all sources is summarised at circa 21,677 jobs to 2031. This includes strategic allocations (which includes 5,000 ‘in situ’ London Luton Airport* jobs assumed from the 18 mppa planning application i.e. requiring no net additional land provision); non B Class jobs from mixed use schemes (e.g. Napier Park and Power Court); town centre and District Centres and is sourced in the ELR 2013 as follows⁴⁵ :-

Table 5 Gross Jobs capacity					
	Industry	Office	Retail	Hotel/Leisure	Tot
Century Park (B2 and B8)	1,167	0	373	342	1,882
Napier Park(mixed use resi, B1, B2 and A1)	250	4,680	564	1,020	6,514
Butterfield (B1 and light industry)	0	4,013	0	0	4,013
J10a south of Stockwood Park – making new B1 office provision	0	1,728	0	0	1,728
Power Court (mixed use resi, B1 , A1 and D2)	0	0	2,074	0	2,074
*London Luton Airport	0	0	0	0	5,050
Luton Town Centre	0	0	0	200	200
District Centres	0	216	0	0	216
Total	1,417	10,637	3,011	1,562	21,677

Note: Table 8.2 ELR p71 errata the sum total shows 22,178 jobs due to an error in summing the column totals for Century Park

5.14 By making an allowance for jobs displacement, however, the potential capacity may be less, somewhat closer to the EEFM scenarios⁴⁶ (or even lower allowing for estimated ‘in situ’ airport jobs growth) and these estimates are based on gross site areas and in actuality, may yield fewer jobs in net terms.

⁴⁵ Page 71 table 8.2 ECON 003

⁴⁶ Page 71 section 8.23 ECON 003

Comment

5.15 The EEFM 2014 forecast model contains the ONS time series of actual jobs achieved covering the economic peak to 2007, recession and modest recovery in recent years. Table 6 demonstrates Luton's past performance broadly matches and can potentially exceed EEFM forecasts to 2031.

Table 6 Baseline EEFM forecasts Total Jobs				
	LBC Forecast (rounded)	20 yr Annual Ave	7 yr Annual Ave	4 yr Annual Ave
Spring 2012 Luton bespoke	+17,800	890	-	-
Spring 2012 ONS Baseline	+17,600	880	-	-
Spring 2013 ONS Baseline	+9,300	465	-	-
Spring 2014 ONS Baseline	+11,300	565	-	-
http://atlas.cambridgeshire.gov.uk/EEFM/LA_forecasts_baseline_EEFM_2014.zip				
Actual Jobs				
ONS Jobs 2000-2007	+11,000	-	1,375	-
ONS jobs 2010-2013	+3,000	-	-	750
https://www.nomisweb.co.uk/reports/lmp/la/1946157201/subreports/jd_time_series/report.aspx?				

5.16 The jobs targets in scenarios 1 and 2 are influenced by the post-2008 financial crisis and recession, and arguably, are modest compared to peak forecasts in earlier periods of upturn in the economy. The cyclic nature and volatility of EEFM forecasts is illustrated in the SHMA 2015⁴⁷.

5.17 Luton Borough Council's view is that the 2012 based EEFM is, therefore, a reasonable forecast given that the 2014 EEFM shows a recovering outlook. Furthermore, this is expected to have increased in the 2015 EEFM figures when they are published in the summer 2016.

5.18 In the latest re-run of the Luton 2012 EEFM bespoke baseline forecast but substituting the alternate population and OAHN set out Luton in the SHMA 2014⁴⁸ (and confirmed in the SHMA update 2015), the jobs forecast increase by 17,800 giving only a marginal difference to the 2012 bespoke run).

5.19 The ELR 2013 study is correct to consider that scenarios 1 and 2 EEFM jobs targets are achievable but may under play Luton's true economic potential, and that land-based scenarios offer a more evidenced picture of higher jobs potential and aspiration. The Council nevertheless, believes that it is more realistic to pitch the jobs target towards the lower end e.g. around scenario 4 (given lead times for the Strategic allocations (Napier Park and Century Park) and certainly not much different from the EEFM jobs forecasts. This economic strategy will ensure that commuting is sustainable and will help Luton to plan for other needs e.g. provision for housing regeneration and supporting infrastructure such as schools, particularly in central and southern areas of the town accessible to the strategic employment allocations.

5.20 There are also other significant changes to consider since the ELR 2013 study was published:-

- Junction 10a improvements and the Luton Dunstable Busway and interchange have been completed and will all assist in delivering and connecting up Luton's strategic employment

⁴⁷ Figure 51 page 73 HOU 03C

⁴⁸ Need to add ref to Oxford forecasting report

allocations to the town centre and a hierarchy of centres across the conurbation, including potential urban extensions on the periphery

- The designation of the Luton Airport Enterprise Zone in 2015 and the proposed new access road to serve Century Park will significantly bring forward Century Park timing
- New developer partnership (Henry Boot) managing the Butterfield Technology Park site following Easter Group going into administration in 2012
- Luton's Investment Strategy will boost the public realm in the town centre and investment for arts, leisure and entertainment
- The changes to the B1 office permitted development rights introduced by the government in 2015 is leading to B1 office conversions to residential in and around Luton town centre and lends additional weight to the argument that there is limited capacity to accommodate higher density quality office space within existing Luton centres (mixed use redevelopment being less viable) where conversion to residential may continue
- There is increased reliance on Century Park, Butterfield and south of Stockwood Park Junction 10a to fulfil B class development particularly as capacity to deliver B2 and B1 needs has been reduced on Napier Park - IBC Vauxhall recently re-acquiring a significant portion of the 8.58 ha of employment provision for vehicle storage in 2015
- Recent commercial property agent evidence supplied via written letter to the Borough Council in 2015⁴⁹ demonstrates a significant recovery in the industrial property market revealing high occupancy and demand for new intermediate scale industrial units 3,000 to 5,000 sqft and an historic low in available refurbishment stock with which to cover this demand until new space becomes available

The protection of key category (a) employment land

5.21 There is a finite supply of employment land in Luton which is deemed 'fit for purpose'. There is pressure to deliver a churn of B class employment on existing sites on the one hand, against a competing need for housing and schools on the other. This justifies the policy approach set out in the plan to critically assessing employment land according to market criteria⁵⁰ in order that the best quality and functional employment land is safeguarded for future needs. Examples of the criteria are as follows:-

1. strategic road access and local road access
2. accessibility to public transport and services
3. adjoining uses that might constrain employment uses
4. site size, characteristics and potential development constraints; and
5. attractiveness to the market, including vacancy and market activity.

5.22 The ELR 2013 accordingly assessed land and sites in Luton in order to update the evidence base for the plan, and classified the employment land of the Borough as follows⁵¹:-

- Green sites (fit for purpose) i.e. key category a) employment land in the plan
- Amber sites (viable but requiring interventions to improve viability) i.e. category (b)
- Red sites (of not sufficient quality to meet future demand) to be allocated for alternative uses in the plan.

49 ECON 0012 – Letter from Lambert Smith Hampton 2015

50 Section 5.4 ECON 003 and section 2.3 ECON 003A

51 Section 5.2 ECON 003 and section 2.1 ECON 003A

5.23 The assessment considered a sample of 20 Green sites (building on the previous work by Halcrow in 2008 and by Nathaniel Lichfield in 2010). These confirmed the strategic allocations of Century Park and Butterfield should be retained as 'fit for purpose' and that land south of Stockwood park Junction 10a be allocated. Napier Park and Power Court (both mixed use residential and employment) are deemed as amber sites.

5.24 The Employment Sites Assessments Update (ESAU 2015) study updates the ELR 2013 assessment with a more comprehensive review of sites. This assessment confirmed that the strategic allocations and category (a) sites must be safeguarded in addition to:-

- ID 1: Sundon Industrial Estate (2.53) – amber to green
- ID 2: Park Avenue trading Estate (5.03 ha) – amber to green
- ID25: Enterprise Way (2.06 ha) – green - correction to boundary - removal of educational (Barnfield Campus) establishment from within the employment designation.

The safeguarding of category (b) employment land for employment over the plan period and release for other uses only when specific criteria are met

5.25 The ELR2013 assessed 30 amber (category (b) sites) sites and the scope for interventions - such as redevelopment for employment or refurbishment or mixed use development or full residential development, applying high level viability assessments⁵².

5.26 The review considered that a cautious approach should be taken to redeveloping or releasing amber (category (b) sites because of viability constraints (i.e. these are largely functional sites, in high occupation with high existing use values) and that refurbishment is a more likely management intervention, with monitoring for future release for residential use should market signals indicate e.g. a deterioration in occupancy levels and existing use values.⁵³This forms the basis for formulating policy LP14 Employment Areas.

5.27 The ESAU 2015 assessment has re-categorised several green sites (category (a), to amber (category b), and to red. Britannia Estate is assessed as amber – however, this site is proposed for a mixed use employment and residential allocation following plan representations by the owners). These category (b) sites will be managed in accordance with policy LP14:-

- ID 95: Bus Depot Dunstable Road (3.18 ha) – green to amber
- ID 8: Leagrave Road Cement Depot (3.34 ha) – green to amber – status of units adjacent to the cement depot along Leagrave Road also amended to amber for consistency
- ID 39: Manor Road (1.6 ha) – green to amber
- ID 40: Greenwood Court (0.42 ha) – green to amber
- ID 42: Holly Street (0.67 ha) – green to amber
- ID 47: Langley Terrace (0.72 ha) – green to amber
- ID 26: Britannia Estate (4.48 ha) – green to amber – proposed mixed use employment housing allocation (response to Draft local Plan representations)
- ID 77: GPO Depot Sarum Road (0.15 ha) – amber not previously designated as employment land
- ID 20: Sunrise Estate (0.29) - amber - not previously designated as employment land although in b class use [SHLAA ID 162. Suitable for 14 units however, SHLA 2016 update will need to assess as part of category b employment land allocation]

⁵² Section 5.34 ECON 003

⁵³ Executive Summary Section 28 and sections 5.37 to 5.38 ECON 003

5.28 Of the above category (b) sites list, only Britannia Estate (ID:26) and Sarum Road (ID: 77) yielding 4.62 ha, feature in the plan housing target of 6,700. Theoretically the other category (b) sites may eventual make a contribution for other needs over the plan period when the modest provision of 69 ha of allocations delivering Luton’s sub regional growth are built out, subject to policy LP14 criteria e.g. market signals, obsolescence, poor viability low occupancy. In addition, these sites will need to be assessed against SHLAA criteria for housing suitability (see sections 5.37 – 5.39 below). However, the constrained land capacity of the Borough and upturn in industrial demand means that these sites will continue to make a necessary contribution to B class employment uses for the foreseeable future.

Contribution of the poorest quality land to meeting other needs such as housing regeneration and for other uses

5.29 Luton has a total of circa 311 hectares stock of existing industrial land (measuring gross plots/estates) in current B class use activity and historically has lost circa 32 hectares of employment land over the last 15 years or 2.13 ha p.a. (arising from 3 large single employers - likely to be exceptional with few such large single employers remaining e.g. IBC and LLAL).

Table 7: Historic Class B use land losses Luton	
B Industrial Land	Hectares
Vauxhall [Napier Park] (LP)	10*
Electrolux (LP)	5.3
Croda	3.2
Coulters	1.8
Power Court (LP)	7.2
Heron Estate (LP)	2
Leicester road (LP)	0.95
Concorde Street	0.9
Dunstable Rd Coach Stn (LP)	0.27
Total	31.6
<i>*Former Vauxhall site 22 ha of which approximately half to be retained for B use employment</i>	

5.30 This shows that the Borough Council has a good track record of sanctioning the recycling of obsolete employment land where justified (in accordance with evidence studies), in order to meet its own housing needs. The Borough Council remains committed to a continuation of such contributions in order to minimise the impact of Luton’s unmet housing needs on neighbouring local authorities and to provide for its own residents as far as this is sustainable and supported by necessary infrastructure (e.g. schools) and in accordance with objective advice.

5.31 Proposed red sites circa 3.85 ha (685 dwellings) identified via the ELR 2013 which have been included in the SHLAA 2015 housing supply are as in Table 8 as follows:-

Table 8: ELR 2013 Red sites - Proposed B class land losses Luton			
Site	Hectares	SHLAA 2015	Potential housing capacity (dwellings)

Table 8: ELR 2013 Red sites - Proposed B class land losses Luton			
Site	Hectares	SHLAA 2015	Potential housing capacity (dwellings)
ID 84: Telmere Est*	0.43	Not previously designated employment land but is in B employment use. Suitable for housing but not currently available or viable therefore retained as category b) amber employment land on policies map as such the land will be kept under review under policy LP14 SHLAA ID 151	15 (based on ELR)
ID 6: Moreton Park	0.9	Suitable, only part available (remaining 5 yr tenancies) and marginally viable therefore, retained as category b) amber employment land on policies map as such the land will be kept under review under policy LP14 SHLAA ID 160	18 (based on extant planning permission to develop part of site)
Gillam St Within High Town block M	0.08	Application on 15 Hitchin Road (part of High Town block M) including Gillam Street and part of Burr Street (south). The High town Blocks will be covered by High town Policies for comprehensive regeneration for residential and other uses. SHLAA ID 147	97 (based on developer proposal)
ID:119 North St and Dudley Street	0.32	Part of application on 20-20A North Street & 61-67 Dudley Street (within High Town block E). The High town Blocks will be covered by High town Policies for comprehensive regeneration for residential and other uses. SHLAA ID 250	52 (based expired permission)
Beechwood Road	0.62	Red ELR 2008 SHLAA IDs 174	361
Caleb Close	1.5	Red ELR 2008 SHLAA ID 364.	Housing allocation (152 homes)
Total	3.85		685

5.32 The ESAU 2015 update identifies 4 further red sites of additional potential set out in Table 9 of which 2 sites provide 0.39 ha (40 dwellings) and is already in the housing target (SHLAA 2015 trajectory) and the remainder will be managed under policy LP14 and the SHLAA update:-

Table 9: ESAU 2015 Red sites - Proposed B class land losses Luton			
Site	Hectares	SHLAA 2015	Potential housing capacity
ID: 72 New Town Trading	0.43	NA [Previously category a) (green) employment*] Red but managed as category b) because of existing employment occupation (not being promoted for resi) and activity and will be kept under review under policy LP14	NA Will need to be assessed by SHLAA update 2016

Site	Hectares	SHLAA 2015	Potential housing capacity
ID: 93 Land off 127 New Bedford Road	0.43	NA Not previously designated employment land but is b use however, retained as category b) because of existing occupation and activity and will be kept under review under policy LP14	NA Will need to be assessed by SHLAA update 2016
ID: 67 Empress Road	0.2	Red [Previously category b) (amber) employment**] Suitable for housing subject to viability - lapsed planning permission – therefore retained as category b) amber employment land on policies map as such the land will be kept under review under policy LP14 SHLAA IDs 323 and 363	Half of Empress Road already developed for housing. 26 potential homes on remaining land
ID: 120 Frederick Street	0.24	NA Outside but in the vicinity of High Town Strategic Allocation area (not previously designated employment land but is in a b class use and while is not being promoted for residential, is already subject to a residential planning permission	NA Will need to be assessed by SHLAA update 2016
ID: 119 North Street	0.19	Outside but adjacent to High Town Strategic Allocation area (not within employment designation not previously designated employment land but is in a b class use and is being promoted for residential and already subject to a residential planning permission and the SHLAA SHLAA ID 320	14
Total	1.49		40

* ELR 2008 **ELR 2013

5.33 From Tables 8 and 9 some 4.04 ha (699 dwellings) are being delivered by the local plan from red sites for housing over the new local plan period in the operation of policy LP14. A further potential 1.1 ha may come forward following review by the SHLAA.

5.34 It is important to note that the ELR evidence studies are advice to the council for its consideration of sites, which may not necessarily automatically entail designation of red or indeed amber sites as housing allocations because of the need to satisfy LP14 policy criteria and the criteria set out in the SHLAA.

5.35 On the other hand, the Borough Council has also taken an area-wide approach to regeneration and accepts that in order for Luton to maximise meeting its own needs through regeneration, in some circumstances, the comprehensive, mixed-use redevelopment of areas of such as High Town proposed in the local plan, will necessarily see the loss of some good (e.g. Green) as well as poor or average (red and amber) quality employment land as illustrated in Table 10:-

High Town block	ELR estates within block	Estate size (ha)	ELR 2013 assessment*	SHLAA	Expected housing supply (dwellings)
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Table 10: Employment sites - Proposed B class land losses within High Town					
High Town block	ELR estates within block	Estate size (ha)	ELR 2013 assessment*	SHLAA	Expected housing supply (dwellings)
A	Midland Road (1)	0.03	Green	Unsuitable: policy direction for linear park SHLAA ID 136	0
B	N/A	N/A	N/A	Unsuitable: policy direction for linear park SHLAA ID 137	0
C	N/A	N/A	N/A	Developable (6-10 years) SHLAA ID 138	6 (75 dph on half of site allowing other half for employment/ other uses)
D	Albion Road	0.16	Red ELR 2008 Amber ELR 2013	Developable (10-15 years) SHLAA ID 139	14 (based on ELR)
E	<i>North Street**</i>	<i>0.02</i>	<i>Red ELR2013 in decline Red ELR2015</i>	<i>Varies across multiple sites. Delivery across whole of plan period SHLAA ID 140</i>	<i>290 (170 dph plus planning applications)</i>
	Dudley Street (2 sites)	0.39	Red in decline		
	Midland Road (west)	0.04	Amber		
F	N/A	N/A	N/A	Developable (6-10 years) SHLAA ID 142	29 (75dph)
G	N/A	N/A	N/A	Part unsuitable (policy direction for parking and play). Part developable (6-10 years)	40 (expired permission)
H	Duke Street	0.14	Green	Developable (6-10 years) SHLAA ID 143	140 (75 dph on half of site allowing other half for employment/ other uses. Some planning applications)
	Brunswick Street	0.32	Amber		
	Hitchin Road	0.04	Amber		
	Burr Street	0.82	Green		
	Midland Road (2)	1.27	ELR 2013 Green		
J	Taylor Street (south)	0.13	Red ELR2008 Amber ELR2013	Developable (6-10 years) SHLAA ID 144	19 (75 dph on half of site allowing other half for employment/ other uses)
	York Street (south)	0.16	Red ELR2008 Amber ELR2013/15		

High Town block	ELR estates within block	Estate size (ha)	ELR 2013 assessment*	SHLAA	Expected housing supply (dwellings)
K	Charles Street	0.76	Green	Developable (6-10 years) SHLAA ID 145	82 (75 dph on half of site allowing other half for employment/ other uses. Some planning applications)
	Concorde Street	0.13	Red ELR2008		
	High Town Road	0.45	Red ELR 2008 Amber ELR2013		
	Taylor Street (north)	0.13	Red ELR2008 Amber ELR2013		
	York Street (north)	0.25	Red ELR2008 Amber ELR2013		
L	N/A	N/A	N/A	Developable (6-10 years) SHLAA ID 146	11 (75 dph on half of site allowing other half for employment/ other uses)
M	Gillam Street**	0.08	Amber ELR2008 Red ELR2013: in decline	Developable (6-10 years) SHLAA ID 147	97 (planning proposal including part of Burr Street (south))
Total		5.04			730
*Unless otherwise indicated					
**Excluded from total – already within table 8 and 9					

5.36 Table 10 therefore, shows that while the Borough Council should be cautious it has also had to take strategic decisions in specific circumstances which justify release and b) and even category a) land as part of comprehensive regeneration, delivering 5.04 ha and 730 dwellings.

5.37 Other sites allocated for housing or identified in the SHLAA trajectory are set out in Table 11 below, which includes 9.6 ha yielding 654 dwellings in the housing target (SHLAA trajectory) and a potential 3.36 ha yielding 138 dwellings which will need monitoring under policy LP14:-

ELR 2015 Site ID and Name	ELR site size (ha)	SHLAA 2015 Site ID and Name	SHLAA 2015 Capacity	SHLAA 2015 Conclusion
ID: 26: Britannia Estate	4.48	Amber ESAU 2015 SHLAA ID:460	294	Developable Mixed use Allocation
Guardian Estate	1.58	Amber ELR 2013	(64 homes)	Housing Allocation

		SHLAA ID 155.		
Oxen Road	0.6	Amber ELR 2013 SHLAA ID 161.	Housing allocation (48 homes)	Housing Allocation
ID: 34 Dalroad	0.79	Amber ELR 2013 SHLAA ID 180.	Housing allocation on eastern edge (32 homes)	Housing Allocation
ID: 45: King Street	0.66	221 (small part of the ELR area) SHLAA ID:221	44	Deliverable (planning permission)
ID: 68: High Town Road ID: 102: York Street	0.76	145 (covers twice as much as the ELR estates)	72	Developable
ID: 77: Sarum Road (GPO)	0.15	SHLAA ID:363	12	Developable
ID: 98: Collingdon Street	0.58	SHLAA ID: 352 (eastern third of the ELR area)	88	Developable
<i>Sub-total for sites in the housing trajectory</i>	9.6		654	
116: Mill Street	0.08	229	38	Suitable
20: Sunrise Estate	0.29	162	14	Suitable
61: Abbeygate Business Centre	0.16	408	12	Suitable
89: Crescent Road	2.83	305 (approximately 20% of ELR area)	74	Suitable
<i>Sub-total for sites suitable for housing</i>	3.36		138	

5.38 Table 12 shows that a number of other sites totalling 19.54 ha will need to be monitored under the policy LP14 and the SHLAA – however, these sites are either contained within wider employment estates or are significant employment estates in themselves. They would therefore be generally unsuitable for residential uses under the SHLAA when it is updated - or their loss would have a significant adverse effect on the supply of B use-class jobs under the provisions of policy LP14. Other land such as ID 95 and 104 are occupied by businesses (bus companies and waste processing) which would need to relocate to other locations and would therefore require new employment land to have been built (to which they can move) or for sizeable existing sites to become vacant.

118: Castle Quarter	1.38	238, 295, 407 and 453 (cover one third of ELR area)	64	Mix of conclusions depending on site-specific circumstances
104: Depot Portland Road	4.36	Not assessed		

33: Cumberland Street	0.29	Not assessed		
38: Flowers Industrial Estate	0.48	Not assessed		
39: Manor Road	1.60	Not assessed		
40: Greenwood Court	0.42	Not assessed		
42: Holly Street	0.67	Not assessed		
46: Kingsway	1.11	Not assessed		
47: Langley Terrace	0.72	Not assessed		
79: Progress Park	0.70	Not assessed		
80: Bay Close/Progress Way	0.31	Not assessed		
81: Eagle Centre Way/Sedgwick Road	0.37	Not assessed		
82: Selbourne Road	4.17	Not assessed		
87: Wingate Road	1.16	Not assessed		
95: Bus Depot off Dunstable Road	3.18	Not assessed		
Sub-total for sites not assessed by the SHLAA	19.54			

5.39 Table 13 shows 56.93 ha of amber sites which are unsuitable for housing.

112: Vauxhall Way and Trailer Park	14.57	328, 391 and 393 (cover most of the ELR area)		Unsuitable (key employment land)
15: Arundel Road	0.95	157		Unsuitable (key employment land)
37: Firbank	3.24	377 (covers two thirds of ELR area)		Unsuitable (key employment land)
65: Covent Garden Close	3.44	327 (covers half of the ELR area)		Unsuitable (key employment land)
78: Sedgwick Road/Progress Way	13.56	372 (Small part of the ELR area)		Unsuitable (key employment land)
8: Leagrave Road	3.34	152		Unsuitable (key employment land)
85: Waller Avenue	2.61	355 and 356		Unsuitable (key employment

				land)
86: Windmill Trading Estate	1.67	156 (covers most of the ELR area)		Unsuitable (key employment land)
91: Chaul End Lane South 92: Chaul End Lane North	0.92	159 (covers both ELR areas)		Unsuitable (key employment land)
122: Junction 10A South of Stockwood Park	12.63	325 (covers ELR ID 121 (northern 'green' site) as well)		Unsuitable (policy direction for other uses)
Sub-total for sites unsuitable for housing	56.93			

The balance of labour/housing in the context of the town and the wider conurbation and Functional Economic Market Area

5.40 Table 1 shows that the difference between the scenario 1 and scenario 2 EEFM runs in 2012 are marginal, and that the ratio of jobs growth to working age population and household increase is also broadly balanced. Luton's OAHN already allows for uplift for market signals and also in order to address the need for labour supply to service the jobs targets across the Luton administrative area and the Luton HMA. The SHMA 2014 refresh and SHMA update 2015 labour supply figures are therefore, similarly broadly balanced to the jobs target for Luton. A significant level of growth is committed or proposed close to Luton's administrative boundary and is accessible to Luton's transport network (e.g. north Houghton Regis urban extension in Central Bedfordshire and proposed additional eastern urban extension to Luton in north Hertfordshire District). These proposals also include elements of B2 and particularly B8 employment land for sustainability reasons and as far as any footloose employment sectors exist in Luton which requires such provision which cannot be met within Luton, Central Bedfordshire considers that there is some scope for such transfers to happen. The Joint Growth Options Study (commission in February 2015) and respective Luton and Central Bedfordshire FEMA studies are also likely to address this matter.

Table 12: The 2012 EEFM outputs are summarised here:-

Luton Bespoke	2011	2031	change
Population	207.3	246.2	38.9
Working age pop	135.1	158.3	23.1
Households	75.5	93.9	18.3
Total Jobs	96.3	114.2	17.8

Luton ONS	2011	2031	change
Population	200.8	239.2	38.4
Working age pop	125.8	147.8	22.0
Households	75.5	94.1	18.6
Total Jobs	96.2	113.8	17.6

6. Summary of key aspects of National Policy

6.1 This section summarises the key aspects of national policy which have been taken into account as part of the plan preparation process and commissioning the ELR 2013, ESAU 2015 and Luton FEMA 2015.

NPPF:	
<ul style="list-style-type: none"> • “Positively plan for growth” 	<ul style="list-style-type: none"> ✓ ELR 2013 x 5 scenarios including EEFM jobs targets and land development scenarios ✓ SHMA 2015 and uplift for labour supply to match jobs ✓ 69 ha + land sufficient to meet needs ✓ Need for B1 Office deficiency identified ✓ Need to safeguard category (a) the best land for employment and to manage category (b) land carefully (particularly for industry) secured in policies LP13 and LP14
<ul style="list-style-type: none"> • Paragraph 154 of the NPPF states that “Local Plans should be aspirational but realistic.” 	<ul style="list-style-type: none"> ✓ Economic Strategy takes a cautious approach regarding commuting and need to provide for other needs ✓ However, planning for delivery between scenarios 3 and 4 ✓ Jobs targets comparable to past rates of job delivery during periods of economic growth
<p>NPPG</p> <p>Since the Employment Land Review was commissioned and published in March 2013 the Government issued further planning guidance in 2014 (National Planning Policy Guidance) which has set out a particular requirement to assess the objective needs of the area for housing and future economic development needs (including for main town centre uses).</p>	<ul style="list-style-type: none"> ✓ ELR 2013 addresses Functional Economic Market area ✓ SHMA 2015 and uplift for labour supply to match jobs ✓ FEMA 2015 will update the methodology and input to the Joint Growth Options Study facilitating an early review should one be required
Assessing Need	
<p>The guidance goes on to explain that assessments should be proportionate and not purely hypothetical. The primary</p>	<ul style="list-style-type: none"> ✓ ELR 2013 x 5 scenarios including EEFM jobs targets and land development scenarios

objective of needs assessments is in order to:-	
<ul style="list-style-type: none"> Identify the future quantity of land or floor space required for economic development uses including both the quantitative and qualitative needs of each market segment and any sub areas, for new development; and Provide a breakdown of that analysis in terms of quality and location, and to provide an indication of gaps in current land supply 	<ul style="list-style-type: none"> ✓ ELR 2013 gross and net B class floorspace demand in scenarios 1 to 5 ✓ ELR equivalent Land (Ha) requirements ✓ Jobs EEFM forecast by SIC sectors ✓ ELR 2013 and ESAU 2015 Study Red, Amber Green assessments of Strategic Allocations and existing employment land stock to determine fitness for purpose and category (a) and (b) land
In particular forecast outputs should quantify 4 key relationships:-	
<ul style="list-style-type: none"> Standard Industrial Classification sectors to use classes; 	<ul style="list-style-type: none"> ✓ Jobs EEFM forecast by SIC sectors
<ul style="list-style-type: none"> Standard Industrial Classification sectors to type of property; 	<ul style="list-style-type: none"> ✓ ELR 2013 gross and net B class floorspace demand in scenarios 1 to 5
<ul style="list-style-type: none"> Employment to floorspace (employment density); and 	<ul style="list-style-type: none"> • ELR 2013 gross and net B class floorspace demand in scenarios 1 to 5 and land based scenarios jobs yield
<ul style="list-style-type: none"> Floorspace to site area (plot ratio based on industry proxies). 	<ul style="list-style-type: none"> ✓ ELR equivalent Land (Ha) requirements based on B class plot ratios
Forecasts should consider sectoral employment projections and demographic assessments of future labour supply.	<ul style="list-style-type: none"> ✓ The EEFM model already builds in and integrates these two forecasting approaches. ✓ SHMA addresses labour supply to service jobs and OAHN uplift accordingly
Assessments should not artificially be constrained by land, infrastructure or environmental constraints (except when evidence base streams are brought together to inform development plan policies). Adopting the methodology set out in the guidance is encouraged as it will be more transparent - but different approaches may be applied if clearly justified.	<ul style="list-style-type: none"> ✓ ELR 2013 x 5 scenarios including EEFM jobs targets and land development scenarios ✓ ELR 2013 addresses Functional Economic Market area ✓ Evidence on constrained land supply and levels of occupation ✓ ELR 2013 Key drivers and sectors identified including infrastructure investment and opportunities
Housing & Economic Land Availability Assessment	
Land availability for housing and economic needs should ideally be assessed as part of the same exercise (i.e. for its suitability, availability and achievability - including	<ul style="list-style-type: none"> ✓ ELR 2013 Key drivers and sectors identified including infrastructure investment and opportunities ✓ ELR 2013 addresses Functional

<p>viability) within the HMA and FEMA involving the ‘duty to cooperate’ stakeholders, business, landowners, LAs and LEPs etc. such assessments are an important step in local plan preparation:-</p>	<p>Economic Market area</p> <ul style="list-style-type: none"> ✓ SHMA 2015 and uplift for labour supply to match jobs ✓ FEMA 2015 will update the methodology and input to the Joint Growth Options Study facilitating an early review should one be required
<p>Site assessment should follow the guidance methodology unless there is clear justification.</p>	
<ul style="list-style-type: none"> • Identify sites and broad locations with potential for development; 	<ul style="list-style-type: none"> ✓ ELR 2013 reviews and confirms Strategic Allocations for ‘fitness for purpose’ ✓ ELR 2013 gross and net B class floorspace demand in scenarios 1 to 5 ✓ ELR equivalent Land (Ha) requirements ✓ Jobs EEFM forecast by SIC sectors ✓ ELR 2013 and ESAU 2015 Study Red, Amber Green assessments of Strategic Allocations and existing employment land stock to determine fitness for purpose and category (a) and (b) land
<ul style="list-style-type: none"> • Assess their development potential; 	<ul style="list-style-type: none"> ✓ ELR 2013 and ESAU 2015 Study Red, Amber Green assessments of Strategic Allocations and existing employment land stock to determine fitness for purpose and category (a) and (b) land including high level assessment of viability for redevelopment and mixed uses
<ul style="list-style-type: none"> • Assess their suitability for development and the likelihood of development coming forward (the availability and achievability). 	<ul style="list-style-type: none"> ✓ ELR 2013 and ESAU 2015 Study Red, Amber Green assessments of Strategic Allocations and existing employment land stock to determine fitness for purpose and category (a) and (b) land including high level assessment of viability for redevelopment and mixed uses
<p>Sites of 0.25 ha or 500sqm should be looked at up to strategic sites and should consider the full range of sources from planning pipeline to surplus public land to vacant and underused land.</p>	<ul style="list-style-type: none"> ✓ ELR 2013 and ESAU 2015 Study Red, Amber Green assessments of Strategic Allocations and existing employment land stock to determine fitness for purpose and category (a) and (b) land including high level assessment of viability for redevelopment and mixed uses ✓ No minimum size threshold applied to selecting sites

<p>A call for sites should seek out site information on location, potential uses, scale of sites and constraints.</p>	<ul style="list-style-type: none"> ✓ Reg 18 Call for Sites ✓ Further sites allocated in response to representations received
<p>Previously allocated sites should also be re-assessed to see if circumstances have changed that alter site suitability for a range of other uses and should look at market signals.</p>	<ul style="list-style-type: none"> ✓ ELR 2013 and ESAU 2015 Study Red, Amber Green assessments of Strategic Allocations and existing employment land stock to determine fitness for purpose and category (a) and (b) land including high level assessment of viability for redevelopment and mixed uses
<p>An indicative economic development trajectory can then be calculated and on when sites will be developed and informed by a site risk assessment.</p>	<ul style="list-style-type: none"> ✓ ELR 2013 and ESAU 2015 Study Red, Amber Green assessments of Strategic Allocations and existing employment land stock to determine fitness for purpose and category (a) and (b) land including high level assessment of viability for redevelopment and mixed uses
<p>If there are gaps against needs then initial assumptions on development potential need to be revisited along with physical and policy constraints. Any remaining unmet needs will need to be addressed under the duty to cooperate’.</p>	<ul style="list-style-type: none"> ✓ ELR 2013 addresses Functional Economic Market area ✓ ELR2013 builds in contingency provision and identifies sufficient supply against a cautious but positive economic strategy between scenarios 3 and 4 ✓ FEMA 2015 will update the methodology and input to the Joint Growth Options Study facilitating an early review should one be required
<p>Functional Economic Market Areas (FEMA)</p>	
<p>LAs in undertaking such assessments should work with authorities and other stakeholders (e.g. LEPs, businesses neighbourhood plans etc) to identify needs within the ‘Functional Economic Market Areas’ - under the Duty to cooperate – which may be the same or vary from, the defined local Housing Market Area. This is because such needs are rarely constrained by administrative boundaries (e.g. trade draw for town centre uses). Where development plan timetables mismatch – existing work can be used.</p>	<ul style="list-style-type: none"> ✓ FEMA 2015 commissioned and engagement ensuring all stakeholders are engaged at workshop ✓ FEMA 2015 methodology identifying the FEMA geography for the sub region according to TTWA, and other indicators of key functional relationships ✓ Regular engagement at SEMLEP Planners forum ✓ Input to SEMLEP Infrastructure investment Strategy and Strategic Economic Plans in 2013/14
<p>The ways the FEMA may be defined and the kinds of indicators which can be used (there is no standard approach):-</p>	<ul style="list-style-type: none"> ✓ FEMA 2015 methodology identifying the FEMA geography for the sub region according to TTWA, and other indicators of key functional relationships

<ul style="list-style-type: none"> • Extent of any Local Enterprise Partnership within the area; • Travel to work areas; • Housing market area; • Flow of goods, services and information within the local economy; • service market for consumers • administrative area; • Catchment areas of facilities providing cultural and social well-being; • Transport network 	<ul style="list-style-type: none"> ✓ FEMA 2015 methodology identifying the FEMA geography for the sub region according to TTWA, and other indicators of key functional relationships - including regard to the Luton HMA and regard to the employment sectors and markets and regard to the conurbation and sub region and adjacent planning areas
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7. Conclusions

7.1 Luton Borough council has based the local plan on the objectively assessed needs of the Borough taking into account the demand and supply for jobs and labour and the need for sustainable commuting.

7.2 The evidence in the ELR 2013 and ESAU 2015 provide a robust assessment of the fitness for purpose of Luton’s employment land stock and strategic allocations to meet the needs of its residents, growing population and labour supply and for Luton businesses (as well as to maintain and secure Luton’s significant sub regional role) against a reasonable set of employment and land based scenarios which cover the plan period. In doing so the Borough has opted for a cautious but positive approach between scenarios 3 and 4 and has ensured that there is land supply to meet anticipated needs.

7.3 Luton has clearly lost a significant amount of employment land in order to meet its competing needs within a finite land supply. It has done this in a balanced way to ensure that firms can continue to afford to do business within the town whilst also making strategic decisions to release significant amounts of employment land to meet its housing needs and minimise the impact of any unmet housing needs upon its neighbours under the duty to cooperate. Some 18 to 20 ha of employment land is coming forward to make a contribution towards housing needs over the plan period which compares to historic losses of circa 32 ha over the last 15 years (which includes Napier Park and Power Court).

Appendix 1 Vision and Strategic Objectives relevant to the plans economic strategy:-

Summarise the relationship with the key issues, vision and objectives for the overall strategy

Vision

“Luton’s economic, social and environmental resources and assets will be used efficiently and sustainably to deliver economic prosperity and an improved quality of life...building on its strategic importance as a sub-regional driver of economic growth.

“London Luton Airport will be improved to provide more jobs related to aviation industries and other associated business clusters and maintain London Luton Airport’s key role as a sub-regional economic driver ... Butterfield Technology Park will support more job opportunities in high technology industries... a mix of high quality and low cost business accommodation will support a range of jobs suitable for the skills of local and neighbouring residents with Power Court and Napier Park ...creative and cultural industries will grow, stimulated by the presence of a modernised University of Bedfordshire...”

Strategic Objective 1: *Retain and enhance Luton’s important sub-regional role as a place for economic growth and opportunity including the safeguarding of London Luton Airport’s existing operations and to support the airport’s sustainable growth over the Plan period based on its strategic importance.*

Strategic Objective 2: *To utilise Luton’s economic, social and environmental resources efficiently and sustainably within the limited physical land capacity of the borough whilst ensuring the permanence of the Green Belt.*

Strategic Objective 6: *Reduce social, economic and environmental deprivation, particularly where it is spatially concentrated, by taking priority measures to reduce unemployment, improve skills and education and renew housing, community and environmental conditions.*