How can we continue to improve Plymouth's economy?

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What is this topic paper about?

How can we continue to improve Plymouth’s economy?

This topic paper has been published as part of Plymouth Plan Connections. It is one of a series of topic papers that are being published to provide information and support the Council’s ongoing discussions with local people and organisations about the future of the city.

Our ambitious growth agenda is central to Plymouth’s Vision of becoming ‘one of Europe’s most vibrant waterfront cities, where an outstanding quality of life is enjoyed by everyone’. This vision will only be achieved if the city grows, and key to this is creating a stronger local economy. This topic paper looks at Plymouth’s economy and considers what can be done to improve the city’s economic prosperity.
Plymouth’s Economy - Context

In 2012 Plymouth’s population (ONS mid-year estimate) was 258,026, representing about a 7 per cent increase since 2001. The city’s economic output is £4.5 billion and it accommodates 105,000 jobs. Plymouth is the most significant urban area on the south west peninsula, with an ambitious agenda to grow the city to 300,000+ people, and an equally ambitious agenda to match this population increase with jobs growth and housing delivery. Plymouth is the largest city in the peninsula, which covers 1,396 square miles with a population of 2.2 million. The peninsula contributes over £36 billion a year to the national economy, hosts 98,000 businesses, and supports 1.1 million jobs.

Plymouth is a centre of excellence for marine science and manufacturing, and has a unique set of competitive advantages upon which to build in its transition to a more competitive and thriving knowledge-based economy. Its high quality educational infrastructure, including two universities and a substantial pool of young talent, continues to grow, playing an ever increasing role in supporting economic growth initiatives.

As Britain’s Ocean City, Plymouth’s natural and cultural assets are arguably key to its future economic renaissance. The environment within which the City is located is attractive to influential people for whom lifestyle is an important consideration. The shelter and deep water provided by Plymouth Sound and the City’s waterfront are almost unique, making the City a magnet for traditional marine industries such as fishing, but also for the marine industries of the future, such as luxury yacht building and private submarine manufacture. There is huge potential to tap into wave and wind related manufacturing opportunities, and to foster and benefit from the practical application of research undertaken by Plymouth University and other institutions and companies with marine specialisms.

The ongoing contraction of the Royal Navy’s operations nationally will open up opportunities for expanding companies and new industries to flourish in the waterside locations and assets that the Navy no longer has a use for in Plymouth. Whilst ongoing investment is undoubtedly needed to maintain its operational usefulness, the potential economic returns from the utilisation of Plymouth’s waterfront are considerable over the long term. The recently signed ‘Plymouth and Peninsula City Deal’ is testament to the confidence that the Government and others have in Plymouth’s economic renaissance, specifically the reinvention of its maritime industries. Employment land with ‘deep water’ access is a particularly important commodity in this context.

Plymouth is not an island in physical or economic terms. It has a symbiotic relationship with its hinterland. People commute into and out of the city for work and other reasons. Businesses operate across political boundaries and do not base locational investment decisions on whether land is in or outside the City boundary.

Plymouth is relatively remote from other centres of population, with consequent implications for its economy. Perceived and real issues of connectivity are made worse by transport infrastructure constraints. The City is nonetheless in the ‘top 10’ nationally for Broadband connectivity, and this helps to address some of the issues arising from peripherality, affording Plymouth a good degree of economic competitiveness where the physical movement of goods and services is not a prerequisite.
The city is located in an enviable natural environment. Whilst this is a blessing in terms of the quality of life it affords, the need to take appropriate account of natural assets can add to the complexity of delivering economic prosperity. For example, the River Tamar is a barrier to the efficient movement of people, goods and, thereby, to some degree, services. The meandering nature of the main rail line to Plymouth and on into Cornwall is a barrier to the efficient / optimum movement of people and to the conduct of business. The topography of the route taken by the A38 en route to Plymouth has economic costs. Haldon Hill is intermittently closed to traffic because of the weather, gradient-induced breakdowns and accidents, with consequent implications for the City’s economy.

Different types of existing businesses and businesses looking to relocate to Plymouth have different locational preferences. Some prefer the road connectivity that locations outside the administrative boundary of the city can provide. Others’ locational requirements are to be in the City Centre or Derriford for example, because of proximity to a particular environment or facility, such as Derriford Hospital, the waterfront, or public transport. The supply of land for employment purposes can be an important determinant of economic prosperity, but other factors are just as important.

**Question 1**

What do you think are the key opportunities and challenges around economic growth that the Plymouth Plan may need to address?

What do you think are the key drivers of change?
Local Economic Strategy (LES) Review 2013 / 2014

Once completed, the Plymouth Plan, as a single integrated strategy, will fully incorporate the city’s local economic strategy.

As part of the process of achieving this outcome, Plymouth’s Growth Board has led the review of the Local Economic Strategy - see http://www.plymouth.gov.uk/pgb.

The LES Review identifies opportunities and challenges for the city’s economy, and sets out a series of flagship projects to take the city’s economy forward. The LES Review has also identified a number of ‘key economic indicators.

While much progress has been made, Plymouth continues to experience a ‘productivity gap’ compared with other, stronger-performing city economies, and is therefore yet to fully realise its potential as the main urban driver of economic growth across the south west peninsula.

A thriving and growing economy is fundamental to raising living standards in the city over the long run. The city’s economic performance up to the onset of the global financial crisis and subsequent recession of 2008/9, showed some signs of improvement particularly in terms of nominal Gross Value Added (GVA), relative GVA per job/hour, and employment growth.

However, even pre-recession there were concerns about the sustainability of that growth, given its reliance on public sector jobs, a construction-led housing boom, and the relative weakness in higher value financial, professional and business services. The recession was deeper and more enduring in Plymouth than elsewhere and overall GVA growth over the decade to 2012 was lower than national and regional (South West) averages. There are long standing issues of youth and long-term unemployment in Plymouth, along with concomitant low business birth rates and a lack of full-time employment opportunities.

Policy neutral forecasts suggest long-run employment and GVA growth rates below the national average to 2031. In other words, in the absence of new interventions, the ‘productivity gap’ is likely to widen given relatively weak performance across the majority of our industries. Permanent increases in productivity underpin sustainable economic growth in the long term.

Allied to this is an over-dependence on the public sector in output and employment terms, which has fostered an economic vulnerability more akin to some areas of northern England rather than the relatively prosperous south.

If the economy is to be rebalanced, there will need to be a shift in economic activity from the public to private sector, and from domestic consumption to business investment and export driven growth. This implies an increased focus on manufacturing. In general terms, City businesses are relatively insular, with a low propensity to export. However, the City does have considerable strengths in marine industries and advanced manufacturing, with a number of internationally facing businesses.
The LES Review 2013/14 concludes that in creating a more robust, balanced and growing economy, Plymouth needs to continue to play to its strengths. It needs to take account of what makes the city ‘stand out’ in an increasingly crowded global marketplace to foster and attract enterprise and investment.

The Review summarises the issues that need to be addressed if the vision for the City to be ‘one of Europe’s most vibrant waterfront cities where an outstanding quality of life is enjoyed by everyone’ is to be realised. It suggests that Mayflower 2020 could be a pivotal moment for the city’s economy. If designed and delivered as a dynamic and innovative event, it has the potential to drive forward many aspects of the city’s economy – business growth in marine and related industries; the visitor economy; the culture of the city in its broadest sense; and raising the Ocean City profile and reputation in global markets. These will be supported by the Plymouth and Peninsula City Deal which places the city at the centre of wider sub-regional growth, recognising its ability to deliver significant productivity and employment growth beyond its administrative boundaries.

Our approach is underpinned by a strong understanding of what makes Plymouth’s economy tick. The six drivers for the topic are:

(i) Enterprise and entrepreneurship

Enterprise is a key driver of productivity – in the form of new entrants to the marketplace it increases competitive pressures necessary for business churn and growth. Currently, the city underperforms on this measure, recording comparatively low business birth and therefore death rates.

(ii) Indigenous and inward investment

Physical investment in capital is an essential ingredient in helping businesses produce more and higher quality output. Equally, inward investment – in the shape of new businesses locating in the city – supports growth by bringing in new jobs, skills and ideas.

(iii) Innovation and the knowledge economy

Innovation relates to the successful exploitation of ideas and the introduction of new products and processes. Innovative firms grow twice as fast in terms of employment and turnover. Our aspirations for a balanced, diversified and knowledge intensive business base remain.

(iv) Employment and skills

Despite its broadly positive ranking on labour market indicators, the recession had a damaging impact on the city’s labour market, exacerbating long-standing issues of youth and long-term unemployment. Full-time opportunities remain scarce with many individuals underemployed or locked out of the jobs market altogether.

Skills are important drivers of productivity, both directly in terms of improving individual performance and, indirectly, by providing the tools to generate new ideas and practices. Despite improvements, Plymouth remains behind its competitors in terms of the proportion of its workforce with higher-level qualifications.
(v) Economic rebalancing

Rebalancing implies a shift in economic activity from domestic consumption to business investment and exports, and from the public to private sector, with an increased focus on manufacturing. City businesses are on average comparatively insular with a low propensity to export. We do, however, have considerable marine and advanced manufacturing strengths, with a number of internationally facing businesses.

(vi) Connectivity

High density and productive linkages between businesses, individuals and institutions in urban areas bring distinct advantages for economic development. Productivity is positively affected by proximity to urban ‘mass’. The city’s physical peripherality means businesses tend to be sheltered from the competitive forces that drive innovation and growth.
LES Review – Flagship Initiatives

The LES Review builds on the strategic themes of the original LES by identifying six flagships around which to galvanise action as follows:

<table>
<thead>
<tr>
<th>Flagship Initiative</th>
<th>Priority Action</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ocean City Infrastructure</strong></td>
<td>Accelerating infrastructure delivery, creating the right environment for growth and investment</td>
</tr>
<tr>
<td><strong>Digital Economy</strong></td>
<td>Delivering the demand stimulation and business opportunities to make the most of the city’s strong digital connectivity</td>
</tr>
<tr>
<td><strong>Business Growth and Investment</strong></td>
<td>Developing a coherent support offer to enable our businesses to become more enterprising, innovative and productive, excelling in global markets</td>
</tr>
<tr>
<td><strong>Learning and Talent Development</strong></td>
<td>A major civic approach to learning and skills development – driven by individuals, businesses and institutions, and supported by providers and civic society</td>
</tr>
<tr>
<td><strong>People, Communities and Institutions</strong></td>
<td>Harnessing the economic potential of the city’s people and communities – connecting them to local assets, resources and support to create employment opportunities</td>
</tr>
<tr>
<td><strong>Visitor Economy and Culture</strong></td>
<td>Building on the Mayflower 2020 opportunity and the city’s cultural and visitor offer to raise its profile and reputation in global markets</td>
</tr>
</tbody>
</table>

The priority actions identified in relation to the flagship initiatives are as follows:-

- **Strategic Infrastructure** - Recognising the crucial role that large scale capital investment and infrastructure delivery play in creating the conditions for economic growth, we will prioritise a number of ‘big ticket’ interventions: A Marine Industries Production Campus (MIPC) at South Yard to support marine and advanced manufacturing growth; significant capital investment to create a modern fit-for-purpose city centre including a new Innovation Centre; and through Plymouth Science Park Phase five, investment to support high-value, knowledge-based growth.

- **GAIN Growth Hub** - The Growth Acceleration and Investment Network (GAIN), founded by Plymouth University, with Plymouth City Council and Plymouth Science Park, is a Growth Hub bringing together business infrastructure, world class research facilities and expertise. Building on GAIN, we will draw together resources from across the city to
provide a clear and accessible offer for all businesses looking for start-up support, advice, guidance and signposting.

- **Deal for Young People** - To ensure our residents are productively employed and the needs of the local economy met, we need to create an ‘employer-led’ skills system which is both flexible and responsive. We will build on the momentum generated by the Plymouth and Peninsula City Deal, to develop a skills matching service with an associated physical ‘hub’ in the city and web portal. This will integrate and simplify all existing support and use local labour market intelligence to better understand the nature of future employment and skills demand.

- **Mayflower 2020** - Mayflower 2020 provides a unique, once in a lifetime opportunity to present Britain’s Ocean City to the world and maximise the impact of our assets. We will establish a joint level of ambition with the US and a Mayflower executive function to take our plans forward, and through capital investment aimed at boosting our visitor and cultural ‘offer’, the development of new trade links, and a major events programme, we will ensure the huge economic benefits on offer are fully captured.

- **Social Enterprise City** - Building on our unique strengths and assets is at the heart of our approach. Capitalising on our new status as one of the UK’s first Social Enterprise cities, we will work with residents, communities and institutions across the city to drive economic growth and community regeneration through new social enterprise.

A common theme running through the LES Review flagships is a commitment to sustainable development. Cities that proactively respond to the business challenges and opportunities presented by the shift to a low carbon economy will be more competitive and resilient in the long term. In addition, the LES Review recognises the importance of making sure the opportunities created by economic growth and development are shared fairly among the city’s resident population.

**Question 2**

How can the Plymouth Plan best address the economic challenges that the city faces?

**Question 3**

What strategic infrastructure interventions would have most impact in terms of facilitating job creation?
Case Studies

Social Enterprise City

Plymouth has Social Enterprise City status, and intends to capitalise on this as a driver of economic growth and community regeneration. The accolade recognises the extent and quality of social enterprise business activity in the city. In addition, Plymouth University was the first institution in the world to be awarded the Social Enterprise Mark in recognition of its long-standing history of support for the sector. The University currently leads the national Social Enterprise University Enterprise Network.
Plymouth Science Park has been successful in attracting a large cluster of high profile firms, which currently house more than 80 organisations employing around 650 people generating nearly £100 million in revenue.

Four phases of the science park are now complete with phase five due to be started in 2017 to increase capacity, attract high growth investment to the city and act as a hub for knowledge based firms.
Plymouth and Peninsula City Deal

Plymouth and South West Peninsula City Deal is a ground-breaking deal with government to deliver economic growth in the south west in exchange for the government devolving powers and funding. The deal area covers Plymouth, Cornwall, Devon, Torbay and Somerset.

The deal will tackle low rates of productivity, a key barrier to economic growth by playing to the peninsula's strengths and growing the marine and advanced manufacturing sectors. The south west has 14 per cent of the national marine supply chain, employing 26,000 people. It is home to global companies such as Babcock Marine, Princess Yachts International, Pipex px, Pendennis Ship Yard and Agusta Westland.

A marine industries production campus will be developed by 2030, unlocking up to 40,000m$^2$ of new workspace for marine-related industries as part of a potential phased release of the South Yard site at Devonport Naval Base that could, in the long term, unlock significantly more new marine workspace.
Employment Land Review (ELR) 2014

The Strategic Overview topic paper\(^1\) sets out that the city will continue to pursue an ambitious growth agenda, that aims to deliver the Vision for Plymouth to become ‘One of Europe’s finest, most vibrant waterfront cities.’ This growth will be underpinned by the transformation of the city’s economy, with an emphasis on knowledge intensive businesses, focusing on marine businesses, and high quality jobs.

The review of the Local Economic Strategy sets out several ways in which this growth will be stimulated, including aspects such as the Plymouth and Peninsula City Deal, GAIN, and Britain’s Ocean City and the flagship initiatives set out earlier in this paper.

There is also a need to understand in some more detail how many jobs we can expect to be created in the City up to 2031, and the amount of new employment land which will need to be identified to meet this need. These are the questions that the Employment Land Review (published alongside this topic paper) seeks to answer. In doing so, it is also testing whether the ambitions of the Local Economic Strategy, and indeed the growth of the city, are realistic and achievable.

The Employment Land Review therefore looks at two key issues:

- How many new jobs can we realistically expect to be created in Plymouth by 2031, and what kinds of jobs will be created?
- How much land will be needed to accommodate those jobs, is the land suitable for the businesses which will create those jobs, and is it in the right place?

The Employment Land Review looks at the supply of land for new employment generating development in Plymouth’s Principal Urban Area (PPUA), which includes employment sites adjacent to the city’s administrative boundary (including Langage and Broadley Park) which are integral parts of the overall land supply for the city economy. A plan showing the PPUA is included in the Strategic Overview topic paper.

The key findings of the Employment Land Review 2014 are set out below.

**How many new jobs will be created in the city by 2031?**

The Employment Land Review sets out a number of forecasts of the number of new jobs which could be created in Plymouth by 2031. These range from a low growth scenario which only provides 7,102 new jobs in the city, to two aspirational growth scenarios which provide 18,520 new jobs. The two aspirational growth scenarios deliver the number of jobs which underpin the high population growth scenario, as discussed in the Strategic Overview topic paper and the Housing Need and Supply topic paper. It is this high level of job growth which therefore drives the city’s growth aspirations.

\(^1\) [http://www.plymouth.gov.uk/homepage/environment/planning/planningpolicy/ldf/plymouthplan/pptopicpapers/ppstrategicoverviewtopicpaper.htm](http://www.plymouth.gov.uk/homepage/environment/planning/planningpolicy/ldf/plymouthplan/pptopicpapers/ppstrategicoverviewtopicpaper.htm)
In order to test this level of job growth, the ELR has looked at two ‘high’ growth forecasts. The first looks at the Experian forecast which was used in the Strategic Housing Market Needs Assessment. The Experian Forecast essentially assesses national economic trends and assumptions and applies them to the Plymouth economy as it was in 2011. It therefore includes no allowance for local schemes and initiatives which could stimulate growth in the city – for example City Deal. The ELR concludes that the pattern of growth in the Experian forecast does not match what could be expected to take place in Plymouth – eg it predicts substantial job growth to take place in the public sector.

The ELR therefore takes a second forecast – the ‘medium’ growth scenario by Oxford Economics – which sets out what is considered to be a more realistic pattern of growth by industrial sectors. This forecast is then turned into a ‘policy on’ forecast by building in the numbers of jobs expected to be created through the City Deal, GAIN, and other LES initiatives. When these jobs are factored in, it demonstrates that job growth in the order of 18,000 new jobs is achievable. Most notably, this ‘policy on’ scenario shows that the policy interventions proposed through the LES will reverse a decline in manufacturing jobs, leading to the creation of jobs in new, high quality manufacturing businesses.

The ELR has confirmed this conclusion through a comparison with current market signals. Factors such as increasing investment inquiries and business formation, and including structured interviews with land agents undertaken simultaneously with the ELR ‘Call for Sites’, indicate a strong view that demand for employment land will grow as the economic recovery gathers pace.

**Implications for Employment Land Provision**

Once the number of new jobs expected to be created has been confirmed, the ELR then sets out how much land will be needed to accommodate these jobs. This is a key issue for the Plymouth Plan, which will need to set out the objectively assessed need for employment land in order to meet the requirements of the National Planning Policy Framework.

The ELR sets out in some detail the methodology for translating jobs into employment floorspace, and then into a land requirement expressed as hectares.

It is recognised that a number of the new jobs will be created will not be in traditional industries – many will be in retail and leisure and therefore will not be located on business parks or industrial areas. The ELR focuses on those jobs which will be created in businesses which fall into the industrial uses – i.e. which are covered by the planning employment use class (Class B) over the plan period 2011 – 2031. This analysis will allow the Plymouth Plan to consider how much employment land is required, and what sites may need to be allocated for employment development in Plymouth Plan Part 2.

The findings of this analysis, by each growth scenario, are shown in the table on the next page.
Net Land Requirements (ha) with 20% Margin, 2011-2031

<table>
<thead>
<tr>
<th></th>
<th>Growth Scenarios</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Low</td>
</tr>
<tr>
<td>Office Space (B1, a, b)</td>
<td>5.67</td>
</tr>
<tr>
<td>Manufacturing space (B1c/B2)</td>
<td>-13.55</td>
</tr>
<tr>
<td>Distribution (B8)</td>
<td>19.23</td>
</tr>
<tr>
<td>Total B-class space</td>
<td>11.35</td>
</tr>
</tbody>
</table>


These figures include a 20% allowance for ‘churn’. This means that the base figures have been increased by 20% to allow for firms moving between premises and to allow for a properly functioning market in industrial premises. The ELR sets out that 20% is a standard allowance for such factors.

The table shows that the high growth scenario which includes an allowance for policy interventions (high 2) shows an overall need for nearly 60ha of employment land. It is interesting to note that this includes a large amount of land for distribution uses – at 28.5ha nearly half of the overall need. Distribution uses cover a large range of operations – ranging from large distribution facilities serving supermarkets and other national distribution chains through to smaller scale local operations such as builder’s yards. The ELR sets out that there are national trends for logistics firms to search for more local sites for their depots, given rising fuel costs and the rise of internet shopping, and it may be that the ELR is picking up on a trend which the Plymouth Plan could use to boost this part of the city’s economic growth.

Nevertheless, the table above sets out the requirement for additional employment land to meet the job growth of Plymouth. Since the High (2) scenario is the aspirational job growth figure which would deliver the population growth and transformation of the city, it is suggested that this is the figure which should be used as the need to be met through the Plymouth Plan. Moreover, since the High (2) scenario is the one which includes an assessment of the job growth which will be provided through policy interventions, and therefore includes a range of real policy measures, it is considered that this best matches the growth aspirations set out in the LES.

Clearly, the scenarios setting out job growth imply alternative approaches which could be taken in the Plymouth Plan. These alternatives have been assessed as part of the consideration of the overall approach to growth which the plan could take – as is set out in the Strategic Overview Topic Paper.

If the lower job growth scenarios were to be used, it is clear from the analysis set out in the Strategic Housing Market Needs Assessment that the population growth aspirations and the transformation of the city would not be achieved. Hence, it is suggested that the high growth scenarios should be taken forward into the Plymouth Plan.
What is the Supply of Land for New Employment Development?

The ELR goes on to assess the supply of land for new employment development in Plymouth and the PPUA. This assessment was done in a similar way to that carried out for the Strategic Housing Land Availability Assessment (as described in the Housing Need and Supply topic paper), and is similar to that assessment in that it does not allocate any sites for employment use, or guarantee that they will come forward for employment development within the plan period. The assessment is, however, based on an analysis of each site identified in the ELR site schedule, assessing whether each is available, suitable or deliverable (as set out in guidance in the NPPG), and indicating whether each site should be taken forward as a potential element of employment land supply in the city.

The ELR site schedule can be seen as part of the full ELR published alongside this topic paper. The results are summarised below:

The ELR has assessed a large number of sites in detail within the PPUA. This has shown that within this area there is a total of 99.2ha of land which is available and suitable, and which has no significant obstacles to delivery.

Within Plymouth, the ELR has shown that there is 75.2ha of land available for employment development. The majority of this land is shown as being available in the A386/Northern Corridor area, and in the City Centre & Waterfront area, as is shown in the Pie Chart below:

![Chart showing distribution of Development Plan allocations and strategic sites within Plymouth (Arup 2014)](chart.png)
The land supply within the city can be further broken down by land which is currently identified as being identified for B1 (office) uses, B1(c) uses and B2 uses (manufacturing) and B8 uses (distribution). This analysis begins to match supply of sites to the need for land:

- B1 (office) 49.67ha
- B1(c)/B2 (manufacturing) 7.85ha
- B8 (distribution) 13.3ha

The ELR has therefore found a large amount of land identified for B1 office uses, and has further found that most of that land is located in the A386/Northern corridor location.

The key sites where land is allocated for employment development within the PPUA but outside the city’s administrative boundary are at:

- Langage 20ha
- Broadley Park (Roborough) 4ha
- Sherford 18ha

It should be noted that the Adopted South Hams Core Strategy, 2006\(^2\), identifies the Langage allocation as helping to meet the strategic needs of the city and the Sherford allocation as primarily about meeting more local needs in support of the concept of a sustainable new community (para 5.40). Furthermore, the Adopted South Hams Sherford Area Action Plan, 2007\(^3\), describes Langage as a ‘Strategic Employment Site’ of regional significance, with proposals for an energy centre and energy park (para. 7.85). It goes on to say that both areas should play a ‘complimentary role in providing a range of employment opportunities to meet a range of modern business needs, with Sherford addressing sub regional and local employment needs and Langage fulfilling its wider strategic role.’

**Analysis of Employment Land Demand and Supply**

The ELR finally goes on to analyse the relationship between the need for additional employment land to meet accommodate the new jobs expected to be created in Plymouth, and the supply of available, suitable and deliverable land.

In broad terms, the ELR concludes that there is more than sufficient land to meet the need. As set out above, there is a need for 57.63ha of land to accommodate the job growth expected under the High (2) scenario, and including a 20% allowance for churn. The ELR has identified a supply of 99.2he of land within the PPUA, 75.2ha of which is in the administrative areas, meaning that there is a potential oversupply of some 42ha within the PPUA.

However, when these figures are broken down by different employment land type, the picture becomes a little more complex (see table on next page).

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\(^2\) [http://www.southhams.gov.uk/CHttpHandler.ashx?id=3672&p=0](http://www.southhams.gov.uk/CHttpHandler.ashx?id=3672&p=0)

\(^3\) [http://www.southhams.gov.uk/CHttpHandler.ashx?id=3673&p=0](http://www.southhams.gov.uk/CHttpHandler.ashx?id=3673&p=0)


<table>
<thead>
<tr>
<th>Net land needs (ha) 2011-2031</th>
<th>Net land supply (ha) 2011-2031</th>
<th>Net land supply (ha) 2011-2031</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Typical 20% Margin</td>
<td>Plymouth admin area</td>
</tr>
<tr>
<td>Office space (B1, a, b)</td>
<td>14.75</td>
<td>52.3</td>
</tr>
<tr>
<td>Manufacturing space (B1c/B2)</td>
<td>14.38</td>
<td>8.3</td>
</tr>
<tr>
<td>Distribution (B8)</td>
<td>28.50</td>
<td>14.6</td>
</tr>
<tr>
<td>Combined (Langage)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total B-class space</strong></td>
<td><strong>57.63</strong></td>
<td><strong>75.2</strong></td>
</tr>
</tbody>
</table>

It should be noted that the land allocation at Sherford (18 ha) has not been identified in the table. This is because the primary role of the land, as identified in the South Hams Core Strategy, is to meet the local needs of the Sherford new community. However, as discussed earlier, the subsequent Sherford AAP does acknowledge that Sherford will help address sub-regional as well as local needs. Furthermore, the configuration of employment land near the Deep Lane junction of the A38 in the recent planning permission for Sherford (November 2013) is consistent with this. Therefore, although this land is excluded from the supply calculations shown in the table, some of Sherford’s employment land clearly does have the potential to support the wider employment land needs of Plymouth.

The table shows that although there is a large oversupply of land available for office space, the situation is different for sites for manufacturing and distribution uses. It also identifies an important issue for consideration through the Council’s ongoing ‘duty to cooperate’ dialogue with South Hams District Council, given that employment land at Langage is potentially suitable for more than one of B uses identified. When Langage is considered, it seems clear that sufficient land is available for manufacturing. The key issue remaining is therefore the potential role of Langage to provide land in support of distribution uses, given that the site is particularly well located to the A38 (see discussed on this below).

Some conclusions that may be drawn from these findings are set out below:

- The identification of sites as office space is based on existing and lapsed planning consents, and AAP allocations or proposed allocations. Much of the need for manufacturing space is for advanced manufacturing and knowledge intensive businesses which in fact occupy similar premises and sites to office uses. For example, Plymouth Science Park is home to office uses and advanced manufacturing businesses. It is therefore very likely that much of the available land in the office space category is also available for manufacturing uses. Notwithstanding the potential role of wider PPUA sites,
the ELR therefore identifies that the apparent undersupply in manufacturing space will easily be made up by using some of the land identified for office space.

- There is therefore in overall terms a need for nearly 30ha of land to meet the needs for B1 and B2 uses, set against a supply of over 60ha, excluding any potential office land at Langage and Sherford. There is therefore a significant oversupply of land in Plymouth and its PUA available for B1 and B2 uses,

- The clear majority of land available for employment development in Plymouth’s administrative area is found in the north of the city, in the A386/northern corridor area, which includes a significant amount of potential and existing employment land in Derriford and the surrounding area. There is an important aspiration to promote Derriford as a focus for economic activity and job growth in the city as part of the bi-nodal economy (see the Strategic Overview topic paper), and so it should maintain a strong supply of quality employment land. However, it is also clear that there may be an over-supply of employment land, suggesting that there is scope for some alternative uses which are complementary to the overall growth vision for the city and the economic role of the Derriford area.

- Part of the requirement for B1/B2 uses is for small scale workshop premises suitable for artisan, creative businesses, rather than for larger scale office or manufacturing operations. The City Centre Study and the City Centre topic paper suggest that the West End of the City Centre may be an attractive location for such businesses. Although the ELR site schedule has assessed City Centre sites, this suggests that it could be helpful to undertake more detailed work on what City Centre locations such businesses might be attracted to.

- The ELR assessment of sites in the City Centre and Waterfront area also includes sites such as South Yard which is included in the Plymouth and South West Peninsula City Deal as the location for the Marine Industries Production Campus, and also makes an assessment of how much office floorspace could be accommodated in high density city centre and waterfront schemes. This assessment will be taken forward alongside the City Centre topic paper and Waterfront topic paper to set out the strategy and key interventions to drive change in these areas. The ELR assesses a number of waterfront employment sites with access to deep water, and it may be that these sites should be safeguarded through the Plymouth Plan to ensure they are not lost to higher value uses.

- The ELR finds that there is a need for nearly 30ha of land for distribution uses. However, it also suggests that there is a shortfall of 14ha of land to meet this need. Although there is theoretically a supply of land which could accommodated some of this need within the city, the most attractive locations for such uses tend to be close to trunk road networks, and crucially close to key junctions where there is easy access to the trunk road network. In this respect, Langage Business Park (and potentially the Sherford site adjacent to the A38) may be particularly attractive to the market. The future role of Langage will be one of a number of important matters that Plymouth City Council and South Hams District Council will need to consider together through their ongoing ‘duty to cooperate’ dialogue.

- Another alternative approach suggested by the ELR is for the Plymouth Plan to investigate the potential for inter-modal freight transfer facilities to be located in the city. Such a facility, enabling goods to be transferred between road transport, rail transport and
potentially sea transport could take advantage of the city’s location with access to the A38 trunk road, the national rail network and a seaport. The ELR recommends that further work is done to investigate this alternative approach.
Conclusions

The ELR therefore comes to the following broad conclusions:

- The aspiration to create over 18,000 new jobs in Plymouth, to drive population growth in the city and to deliver the city’s growth aspirations, is shown to be a realistic and deliverable objective.
- There is more than sufficient employment land supply in the PPUA to meet the needs of businesses to 2031 (the Plymouth Plan timeframe).
- There is a significant oversupply of employment land for B1 and B2 uses in Plymouth, mostly concentrated in the A386/Northern Corridor.
- The largest single need for employment land comes from distribution (B8) uses. Some land is available within Plymouth to meet this need, but the most suitable land is to be found at Langage. The Council is therefore working closely with South Hams to look at how this supply should be taken forward through the Plymouth Plan and the South Hams Local Plan (‘Our Plan’)
- There is also a need to give careful consideration to the protection of sites suitable for marine industries, given that there is a finite supply of land suited to such businesses. The protection of marine employment sites where environmental constraints to development are less problematic than they are elsewhere needs particular consideration.
  For example, sites located in the Cattewater are excluded from the designated Special Area of Conservation / Special Protection Area, and therefore offer greater development flexibility.

Question 4

Do you have specific comments to make in relation to particular sites, or employment land availability in particular areas of the City and its hinterland?

Question 5

Do you have any market evidence that supports or contradicts the findings of the Final Draft ELR 2014, particularly in terms of land availability for particular business sectors?
Question 6
Do market signals indicate that the economy continues to pick up and that there is therefore a need to provide more employment land than the minimum considered to be necessary, to provide choice in the market?

Question 7
Do you think there is sufficient provision for employment development in particular neighbourhoods of the city?

Question 8
Where do you think distribution uses should be located?

Question 9
Do you agree that employment sites with access to deep water should be safeguarded for marine employment uses?
Summary and Overview of the Topic Paper

This topic paper has set out a number of important and complex factors in discussing the economic growth of Plymouth over the period up to 2031. There are a number of alternative approaches which have been considered within this discussion:

The Local Economic Strategy as set out in this paper takes a targeted approach to delivering economic growth in the City. An alternative approach would be to have focused on a more generic strategy promoting sectors across the city. Instead, the LES promotes initiatives which will boost the growth of knowledge intensive businesses and particularly those focused around marine industry. It sets out a focused set of interventions and initiatives to work alongside the City Deal to deliver growth. This approach sets a theme for the rest of the Economy topic paper.

The Employment Land Review then sets out the assessment of the differing scenarios underpinning job growth in the City. The lower growth scenarios would not deliver the transformation of the City which is sought as set out in the Strategic Overview Topic Paper, nor would they deliver the kinds of changes in the Plymouth economy envisaged by the Local Economic Strategy. It is therefore suggested that the high growth scenario is the assessment of job growth which should be taken forward to support the LES and the overall growth agenda in the city.

The supply of employment land is set out as a simple assessment of land which is available, suitable and deliverable for employment uses. Nevertheless there are alternative approaches within this assessment.

The information shows that employment land is concentrated around the City Centre and Waterfront areas and the Northern Corridor. This is as a result of the strategy pursued in the Core Strategy which focuses development in these locations as part of the bi-nodal economy. An alternative approach could be to disperse development across the city, focusing more on business sectors rather than a spatial strategy. Such an alternative approach would be a change from the Core Strategy, but more significantly would not be consistent with the LES approach of focusing interventions in key locations delivering growth in knowledge based and marine industries.

Secondly, there is a detailed issue regarding the use of available land at Langage for distribution uses. As set out above this issue will need to be carefully discussed with South Hams District Council as part of the Duty to Cooperate, in order to develop and test the alternatives which could be put forward for the future of Langage.

This topic paper has therefore put forward a summary of the key elements of the growth of Plymouth’s economy, within which is a consideration of a number of options. The key message, however, is that the City is aiming for economic growth to underpin its transformation, and that crucially that growth is achievable in terms of job growth, the land available to accommodate those jobs and the delivery mechanisms to stimulate investment.
What happens next?

Any comments received on this topic paper will be considered in the preparation of the Plymouth Plan. You can make comments at www.plymouth.gov.uk/PlymouthPlan or by email plymouthplan@plymouth.gov.uk. Alternatively, please post your comments to:

Strategic Planning & Infrastructure Department
Plymouth City Council
Ballard House
West Hoe Road
Plymouth
PL1 3BJ

The closing date for consultation responses is 25 October 2014.

List of key Plymouth Plan evidence base documents.

- Plymouth City Council Employment Land Review 2014
- Plymouth Strategic Housing Market Needs Assessment, GVA 2013
- Plymouth Core Strategy (adopted 2007)