

Greater Norwich Local Plan

Topic Paper: Policy 6: Economy

Summary

This topic paper outlines the evolution of, and justification for, Policy 6 of the Greater Norwich Local Plan which provides the main economic policy of the plan and which includes policy for town centres and town centre uses. It outlines relevant national and local economic policy which the GNLP reflects and details bespoke evidence supporting the development of the policy which has evolved from the adopted policies of the Joint Core Strategy.

In response to economic development policies and evidence, Policy 6 identifies a target of 33,000 jobs and a range of strategic employment locations. The latter provide a well distributed range of opportunities to support an identified range of economic sectors. It also covers smaller scale economic activity and identifies a hierarchy of centres.

The topic paper outlines consultation responses at Reg18 and Reg 19 and suggests that no issues have been raised on economic policy that challenge the soundness of the plan.

Purpose

1. This topic paper is part of a series prepared to support the consideration of the Greater Norwich Local Plan (GNLP) at its examination. It provides further justification and explanation of the approach to jobs and the economy set out in GNLP Policy 6, along with links to background evidence.
2. While Policy 6 is the main economic policy in the GNLP, economic development is supported by other policies of the plan and by site allocations.
3. The topic paper includes background and context from current strategic approaches to planning for the area contained in the Joint Core Strategy for Broadland, Norwich and South Norfolk (JCS), which was adopted in March 2011 with amendments adopted in January 2014. It outlines local evidence of jobs needs and explains how the strategy complies with the requirements of the National Planning Policy Framework (NPPF). It also summarises information from the various stages of public consultation, identifying how the strategic approach in the submitted GNLP evolved through the plan-making process.

Background

4. National policy (Section 6 of the NPPF) requires planning policies to help create the conditions in which businesses can invest, expand and adapt, with significant weight placed on the need to support economic growth and productivity. Policies

Greater Norwich Local Plan

should include a clear economic vision and strategy to encourage sustainable economic growth, have regard to Local Industrial Strategies and other local economic policies; identify strategic sites for local and inward investment to meet anticipated needs over the plan period; seek to address potential barriers to investment; be flexible enough to accommodate change; and should recognise and address the specific locational requirements of different sectors. In rural areas policies should enable: the sustainable growth of business through conversion of existing buildings and well-designed new buildings; the development and diversification of agricultural and other land-based rural businesses; sustainable rural tourism and leisure developments; and the retention and development of accessible local services and community facilities.

5. Section 7 of the NPPF requires planning policies to support the vitality, viability and role of town centres. Of relevance to the GNLP, policies should: define a network and hierarchy of town centres and promote their long-term vitality and viability by allowing them to grow and diversify; allow a suitable mix of uses (including housing); allocate sites to meet development needs and follow a sequential approach.
6. GNLP Policy 6 is an evolution of the existing approach in the JCS. The key economic policies in the adopted JCS are Policy 5, providing the general strategic approach, Policy 9 identifying the strategically significant employment locations and Policy 19 outlining the hierarchy of centres. Policy 6 of the GNLP takes these policies as its starting point and updates, rationalises and merges them. Bringing town centre issues into the core policy ensures that they are recognised as an integral part of the wider economy.
7. JCS Policy 9 identifies 8 strategic employment locations which are all carried forward into the GNLP. The reference to Broadland Business Park in the JCS has been expanded in the GNLP to recognise that land is available on the adjacent Broadland Gate and St Andrew's business parks. In addition, JCS Policy 5 identifies the need for a food and farming hub which has since been allocated as the Food Enterprise Park.
8. Greater Norwich sits within the New Anglia Local Economic Partnership (NALEP) area. The NALEP Economic Strategy for Norfolk and Suffolk of November 2017 ([Economic-Strategy-Brochure](#)) identifies "Norwich and Greater Norwich" and the "Cambridge Norwich Corridor" as priority places "where the evidence shows there are significant opportunities and commitment for continued growth".
9. The Economic Strategy recognised that in 2017 Greater Norwich had substantial economic growth, the highest GVA per head in its area and the highest percentage of residents with NVQ4+ qualifications. Business creation and survival rates, and employment and economic activity rates were higher than average. The Economic Strategy committed to support and drive the next stage of growth, building on the area's long tradition of creative, radical thinking, fostering innovative businesses, a

Greater Norwich Local Plan

fast growing digital and creative hub and further developing the strong and well-established cultural scene. The Economic Strategy (pp 26-27) emphasises and supports the economic importance of

- the University of East Anglia and Norwich University of the Arts
- the city's financial services and insurance cluster and growing fin-tech, the tech, creative and digital skills available in the city and the growing number of young professionals that see the area as a great place to live and work
- the world class expertise in genome analysis and manipulation of animal, microbial and plant systems at Norwich Research Park,
- the significant presence in the area of operations on the Norfolk and Suffolk Energy coast and the role of Norwich International Airport as the centre for aviation operations for the southern North Sea energy sector.
- improvements to connectivity both local and to London and Cambridge to drive significant housing and commercial growth across the area.

10. The NALEP Local Industrial Strategy ([LIS](#)) is an evolution of the Economic Strategy. It aims for the area to be an exemplar of clean growth and to lead the transition to a post-carbon economy through sustainable food production and sustainable energy generation. While reinforcing and building on the approach of the Economic Strategy, spatially it provides further recognition of the significance of the Food Enterprise Park at Honingham, the Norwich Research Park and the Cambridge Norwich Tech Corridor.

11. The Cambridge Norwich Tech Corridor ([CNTC](#)) is a partnership initiative to promote growth in key economic sectors across the corridor. The geographical extent of the corridor is loosely defined but covers all the strategically important economic sites in Greater Norwich identified in Policy 6 of the GNLP. Key development sites specifically identified by the CNTC ([CNTC Sites](#)) extend from Wymondham/Hethel to the Food Enterprise Park at Honingham and across the Norwich urban area. The corridor within the Greater Norwich area is broadly the same as the strategic growth area identified on the GNLP Key Diagram

12. The Norfolk Strategic Planning Framework (NSPF 2021, page 41) identifies and seeks to protect "Tier 1" strategic employment sites through Agreement 9. Table 7 identifies the sites and the NSES sectors and locations they support. The Greater Norwich sites identified in the NSPF are:

Broadland Business Park
St Andrews northside
Broadland Gate
Browick Interchange, Wymondham
Hethel Engineering Centre and Technology Park
Food Enterprise Park (within the food enterprise zone at Honingham/Easton)
Norwich city centre
Norwich Airport aeropark
Hurricane Way area (not allocated in the GNLP as it is an existing employment area)

Greater Norwich Local Plan

Airport Business Park
Norwich Research Park (25ha of which is an enterprise zone)
Rackheath

Evidence

13. The development of the Local Plan has been supported by evidence produced by GVA in December 2017. With the passage of time, Brexit and the Covid pandemic there was a need to review this analysis to inform the Reg 19 GNLP. In October 2020 GVA's successor Avison Young was commissioned to provide an update in the form of two Addendum reports covering jobs growth, employment land need, town centres and retail.
14. The original GVA 2017 Employment Town Centres and Retail Study (Documents B3.1 to B3.8) provided a comprehensive assessment of the issues. It provided a baseline and enhanced growth scenarios indicating jobs growth of 34,500 to 44,000 jobs and consequent employment land requirement of 75ha to 114ha for the period 2014-2036. (see section 6 of [B3.2](#)). It is worth noting that the additional growth in the enhanced growth scenario is significantly greater than that in the later alternative growth scenario in the Avison Young 2020 update – see below).
15. Pages 4 to 46 of [B3.2](#) assess existing employment sites while strategic site clusters are reviewed on pages 47 to 78. Colney Hall is the only site of significant scale considered appropriate for re-evaluation (page 36 of B3.2).
16. The Avison Young reports of 2020 ([B3.9](#) and [B3.10](#)) used the latest available data including Experian forecasts from September 2020 and Avison Young's own COVID cities recovery index. Locally the East of England Forecasting Model (EEFM) is normally used for economic forecasts, but an up-to-date run was not available, hence the use of Experian. Population forecasts are derived from 2014-based data to be consistent with housing growth needs.
17. The reports make clear that with ongoing impacts of COVID-19, uncertainty of post-Brexit impact and changes to the planning system there is no certainty about future performance.
18. Four scenarios are presented for GDP recovery after the pandemic (see 3.6 to 3.26): V shaped, delayed V shaped, U shaped and L shaped. Experian considered that a V shaped recovery is most likely (but still uncertain).
19. In relation to BREXIT "The economic forecasts provided by Experian for use in this Study assume that the final outcome is a deep trade deal that allows continued access to EU markets". At the time of writing the nature of the post-BREXIT economy is by no means certain.

Retail issues:

TOPIC PAPER POLICY 6	VERSION FINAL	DATE 06/10/2021
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Greater Norwich Local Plan

20. Consumer spending growth was low pre-COVID and is expected to stay low; non-food sales were poor, with on-line sales growing. Per capita expenditure growth 2020-2035 on convenience goods (largely food) in “bricks and mortar” shops may be marginally better than in the 2017 study although stagnant with potentially a small decline, and on comparison goods (most non-food) there will be real growth but significantly less than in the 2017 study.
21. The overall market share of internet sales, as a proportion of total sales, has increased nationally from 5.5% in 2006 to 20.2% in 2019. It was forecast to grow to 22% by 2021 and to 31% by 2036.
22. Market demand in recent years has seen an increasing polarisation and concentration of non-food retailer demand and investment interest in the larger regional and sub-regional centres (e.g. Norwich).
23. Changes in retailer requirements and market demand will continue to have a significant impact on the UK’s town centres and high streets, particularly in those cases where retailers make the decision to relocate from town centres to out-of-centre locations, or even out of the area altogether.
24. With all the uncertainties Avison Young recommended to plan on the basis of 5-year forecasts (2025) and certainly no more than 10 years (2030).
25. Across the Norwich urban area limited growth in **convenience** goods capacity is forecast of 600 sq.m net in 2025, rising to 1,300 sq.m net in 2030. Avison Young conclude that “the level of ‘surplus’ is so small that it does not prompt any significant allocations from a quantitative perspective”.
26. Within the rest of South Norfolk (main towns and rural) there could be capacity for 2,900 sq.m net by 2025 rising to 3,300 sq.m net in 2030. Most of the forecast capacity is in Diss or dispersed across the area, with a small oversupply in Harleston. Within the rest of Broadland (main towns and rural), the forecast suggests a small oversupply in Aylsham and some capacity dispersed across the rural area. Outside the urban area the levels and patterns of convenience goods capacity are broadly similar to those forecast in the 2017 study. Note – these calculations take account of overall population growth but not the specific distribution of allocations in the GNLP. Housing growth in the Aylsham and Harleston catchments can be expected to moderate the level of potential over-supply.
27. Available **comparison** goods expenditure in the study area was £2,751m in 2017, whereas the latest assessment for 2020 is £2,195m. This is a significant fall caused by the drop in expenditure during 2020 and the increase in the market share of internet shopping over the past three years (both heavily influenced by the COVID-19 pandemic). Whilst it is hoped there will be a bounce back from 2021

onwards, available comparison goods expenditure will be materially lower over the period.

28. Forecast total spending at comparison goods stores in the Norwich urban area (in 2017) was £1,547m falling to £1,233m in 2020. Reduced levels of turnover have a negative impact on the vitality and viability of town centres. However, to maintain 2017 levels of turnover in Norwich urban area would suggest an over-supply of comparison goods floorspace of 21,100sq m net to 25,500sq m net in 2025 and 2030. Alternatively reducing average turnover would provide some theoretical capacity, but AV suggest this should be used to support existing floorspace, including the opportunity to re-occupy existing vacant floorspace (unless it is re-purposed for an alternative use).
29. There are similar outcomes for the rest of South Norfolk and Broadland outside the Norwich urban area: a modest surplus capacity of 2,600m² in SNC and 600m² in BDC based on 2020 turnover; or a small over-supply based on 2017 turnovers.
30. The report also looks at the implications of recent changes to government policy and the use classes order. The new use Class E incorporates the previous shops (A1), financial and professional services (A2), restaurants and cafes (A3) offices (B1), gyms, nurseries and health centres (previously in use classes D1 and D2). The report recommends that the implications of use classes for out of centre development should be reflected in policy.

Employment land and jobs growth

31. As with the original reports, Avison Young provide both baseline and alternative higher growth forecasts for jobs growth in the period 2020 to 2038.
32. The baseline forecast is 32,700 jobs 2020-2038. Of this total, most of the growth is likely to be seen in non-B-Class employment (using the previous use classes order), with an additional 25,410 jobs created between 2020 and 2038. The scale of jobs growth in B-class uses equates to a need for 74.3ha of employment land.
33. The alternative growth scenario looks at the prospects of individual sectors and builds upon AV's understanding of past economic performance, the strengths and weaknesses of the local economies, factors expected to influence future growth, and the wider macro-economic context for key economic sectors. This alternative scenario suggests a further 483 jobs i.e. 33,200 jobs in total, equating to 76.4ha of employment land.
34. While Avison Young recognise the quantitative over supply of employment land, they draw attention to the way the range and distribution of sites provide different locational offers and support sector specific requirements.

35. Avison Young look into the impact of Covid-19 on office demand and logistics – two sectors with the most likely impacts. They conclude that the impact of Covid-19 has demonstrated the need for more flexible office space, but there is not any indication that working from home will reduce the demand for space. Although fewer people are expecting to be working in the office at one time, Covid-19 has highlighted the importance of collaboration and well-being of employees. Occupiers are tending to reconfigure their space to provide an increased share of break-out areas, meeting rooms, individual booths (to accommodate online meetings) and wellness and social areas (lounges etc.). Overall, whilst the number of employees present in the office at any time is expected to dramatically decrease, this will be counteracted in terms of calculating floorspace need to support jobs by the floorspace effectively supporting staff working from home.
36. Logistics space has recently seen a greater importance of last-mile delivery. This trend has been intensified by the Covid-19 crisis, the sharp rise of e-commerce and the shift of local businesses, retailers and restaurants towards the online marketplace, associated with fast home deliveries. This has led to a large increase in demand for warehousing of all sizes, including the emergence of micro-fulfilment centres (small, usually under-used space such as basements in urban areas).

Conclusions from the evidence for the Local Plan

37. In a period of significant uncertainty Local Plan policies need to be flexible to enable change. There is also a continuing need to support and protect town centres to aid their recovery and transition, and to work with partners to promote the local economy and overcome constraints to key employment sites to remove obstacles to growth. Many of the economic and social trends were already apparent prior to the COVID pandemic and the Reg18 approach, largely carried forward into the Reg19, remained appropriate with minor updating. This is then carried forward into the submitted plan.
38. The Government's recent changes to the use classes bringing retail, offices and some leisure uses into the same Class E provides flexibility in town centres. However, large scale development, particularly out of centre, will have very different implications, for example for traffic and town centre impact, and it is important to ensure that the development that takes place is consistent with the evidence provided with the planning application. This is reflected in GNLP policy. The report's advice on detailing the operation of the sequential approach and impact assessment is achieved in Policy 6 by linking to the NPPF which has the advantage of remaining up-to-date with any changes to national policy.
39. Although starting from a different base year and a lower base position, and looking over 18 years rather than 20, the job forecasts in the AV study are broadly similar to the growth identified of 33,000 jobs in the Reg. 18 plan. Given the uncertainties in the economy and of forecasting, and with the principal land-use implication being

to identify sufficient and appropriate allocation, it is reasonable to continue with a target of 33,000 jobs over the plan period.

40. The GNLP includes in excess of 300 ha of allocated employment land. While this is a significant over-allocation compared to the needs identified, there are a range of justifying factors. The authorities are committed to encouraging higher than forecast rates of economic growth including through the City Deal. Over 280 ha of our employment land supply is on key strategic sites capable of accommodating a range of scales of end-user, with several sites targeted at particular sectors such as Norwich Research Park, Hethel, and the airport area and the others providing for more general needs. The allocated sites provide for market choice and a good distribution of opportunities to serve the area. Due to their location and configuration of uses, the majority of these strategic sites are not suitable for reallocation to other uses. The remainder is on smaller sites dispersed across the area providing important local opportunities. The evidence focusses on land required for B-class uses but some employment land will be used for non-B-class employment such as gyms, waste recycling centres, vehicle sales and fuel forecourts; or supporting uses such as cafés and restaurants. The scale and range of our employment allocations provide for choice and flexibility and will provide for growth in the longer term.

Regulation 18C consultation

41. The Sustainability Appraisal of the Reg 18C document (Appendix C9 page C36 of [B23.3](#)) found the impact of draft Policy 6 to be largely neutral or positive. It recommended that the policy could be enhanced through the inclusion of the approach to the rural economy in Greater Norwich, including agricultural businesses.
42. The high level report on the Regulation 18C Consultation (page 19 of [A8.9](#)) notes that “The view was expressed that the employment land supply is not flexible, diverse or ambitious enough and is made up of key sites which either have infrastructure constraints to delivery or have other environmental constraints to expansion. As such the commenter considers the emerging GNLP plan will conflict with the NPPF and is unsound”. The action recorded was to update economic evidence to take account of the impact of the Covid pandemic.
43. Detailed responses (document [A8.10](#)) included the need to allow for smaller site expansion (Lawson Planning Partnership, page 93 and 137), to take account of the City Deal (Barton Willmore, page 132) and whether the economic ambitions are consistent with the housing requirement (Rosconn Group, page 345), and the role of smaller rural sites (Pegasus Group page 140). A number of comments sought to prevent development on unallocated sites (from page 775). Comments suggested that insufficient land is available in the Cambridge Norwich Tech Corridor (Lanpro page 778, Glavenhill page 779)

44. In response to these points,

- Policy 6 covers the whole of the area including more rural parts. There are a number of smaller employment sites in towns, key service centres and villages serving the rural area. Re-use of rural buildings is encouraged and the expansion of small sites allowed for.
- There is no evidence that the majority of allocated employment land is significantly constrained or unattractive to occupiers. Most of the strategic sites identified in Policy 6 are extensions to existing sites or already partially developed. The exceptions are the Aeropark (which already has a junction in place from the Broadland Northway), Browick Interchange and Rackheath. electricity supply which can be a constraint, but this is a general problem across the area ([Doc B4.1](#)).
- Justified expansion of smaller sites is allowed for.
- Evidence demonstrates there is more than enough and a sufficient choice of land to deliver the City Deal.
- It would not be appropriate to have a blanket ban on un-allocated employment development, but the availability of allocated sites would be a significant material consideration in such cases.
- All the strategic sites are within the CNTC

Regulation 19 publication

45. The summary of responses to the Regulation 19 publication plan begins on page 200 of document [A8.19](#) The main issues raised are :

- Most responses relate to the promotion of particular sites.
- There is a need for greater flexibility for the reuse/redevelopment of existing businesses.
- There is a need to allocate more land, including a large site, smaller sites and land for other types of employment generating uses.
- There is a need to ensure housing supports sustainable economic growth including town centres, the CNTC and the City Deal
- The plan fails to capitalise on the opportunity to further support and direct employment growth to the CNTC.
- There are insufficient opportunities for economic development in rural areas.
- There is a need to allocate a specific site to meet the needs of one particular business (Ben Burgess).
- There are concerns about the cumulative scale of growth, particularly in the CNTC, on Breckland.
- The policy does not provide the mechanisms to deliver jobs that fall outside the old B-class uses – the representation has been made in support of unallocated housing sites that include schools and care facilities.

46. All these issues are responded to in Doc A8.19 and it was not considered that any of the issues challenge the soundness of the Plan.

47. The SA/SEA summary of the impact of Policy 6 (page C24 of [A6.3](#)) concludes that it will have a major positive impact on the local economy and minor positive impacts on access to a range of education opportunities, on natural resources, and on landscape. Minor negative impacts are expected on air quality, and on climate change mitigation and adaption. The negative impacts on air quality result from development in the City centre and 54 ha of new allocations while, similarly, the impact on climate change is from development itself and associated traffic.