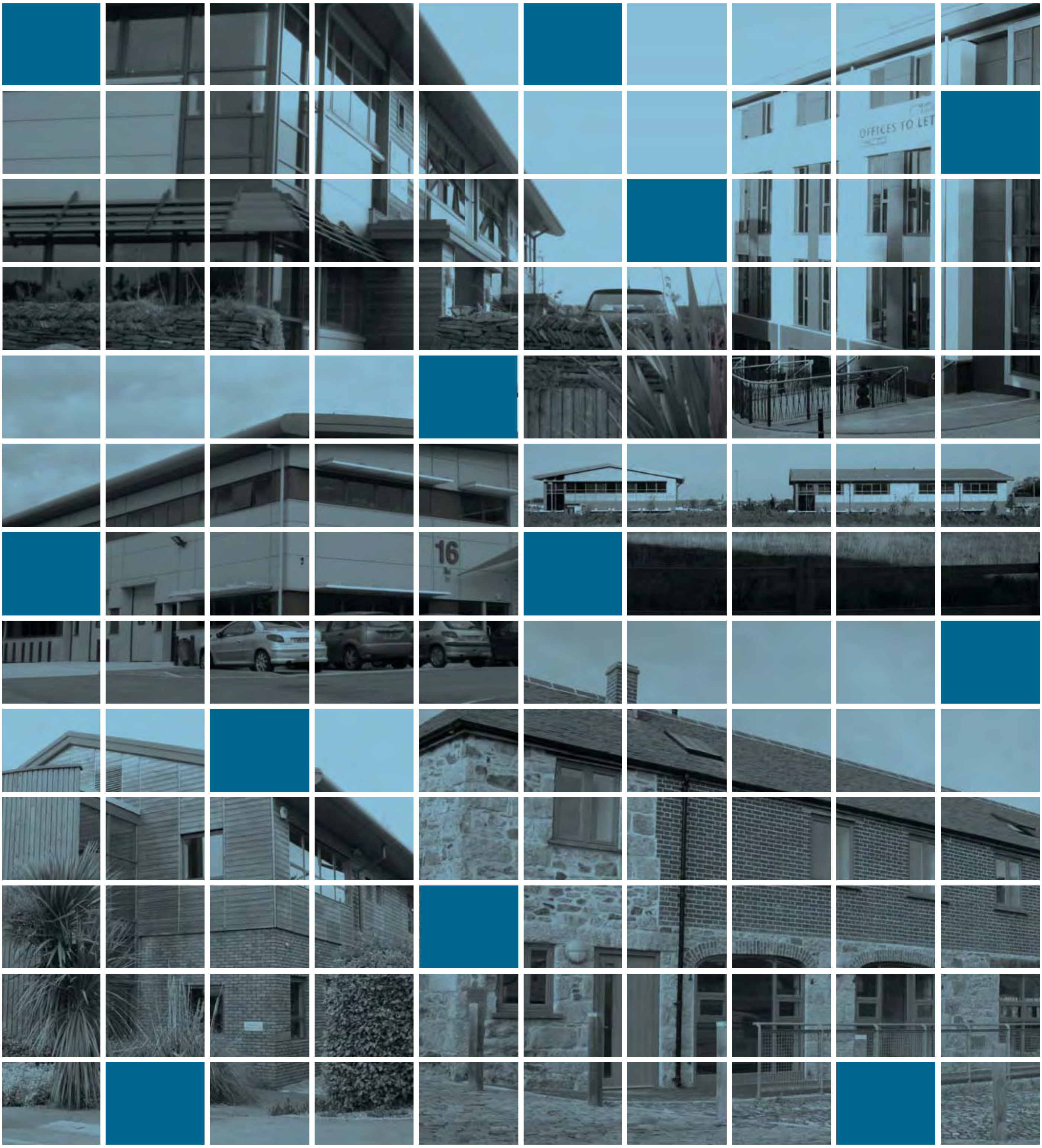

Cornwall Employment Land Review

Final Report
November 2010

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1.0 Executive Summary

1.1 Nathaniel Lichfield and Partners (NLP) was appointed by Cornwall Council to undertake an Employment Land Review (ELR) as part of the evidence base to inform the preparation of the Local Development Framework (LDF) and the allocation of land for employment uses.

1.2 The purpose of this study is to provide evidence to support the development of the LDF. It is not a policy or strategy document per se, but instead provides analysis of some of the key employment land issues across Cornwall prior to specific planning or economic development policies being developed. It aims to look across the LDF plan period to 2026 at a strategic level, and more detailed local issues will need to be examined through supplementary evidence base studies.

1.3 The following key messages can be drawn from this study:

1. Cornwall has experienced high rates of economic and employment growth over the last decade, although some structural problems remain and future growth may be constrained by public sector spending cuts

1.4 Cornwall comprises a large rural area, with a polycentric network of relatively small settlements. The county's economy has been shaped by its geographic peripherality. However, the last decade has been one of significant economic growth with high rates of job and company formation and with unemployment having fallen to significantly below the regional and national rates. Furthermore, so far, Cornwall appears to have weathered the immediate impact of the recession better than other parts of the UK.

1.5 However, wages remain very low, there is seasonal dependence on low-skilled jobs, a relatively low proportion of businesses are knowledge-based, and a high proportion of employment is part-time. Going forward, public sector funding will become more constrained in the short to medium-term, and Convergence funding will end in 2013. Both of these may impact to some extent on future economic growth.

2. Industrial demand is primarily driven by proximately to the A30 whilst office demand is highest in Truro, although there are also significant levels of latent demand across the county

1.6 Demand for employment space in Cornwall tends to be relatively local and the requirements are generally small-scale in nature. Most office stock is found in Truro although industrial is more evenly spread around the County, albeit that the A30 is a major driver of demand. Although the stock of floorspace has increased in recent years, the amount of privately-funded speculative development has been extremely small and almost exclusively confined to the office market in Truro.

1.7 Vacancy levels are low for both office and industrial space due to the historical lack of delivery of workspace, although take-up of modern office space has been slow in recent years outside of Truro. In particular, requirements were identified for a greater supply of small-scale flexible office workspace which is currently under-provided in some local markets. However, perhaps the most significant market gap is for serviced plots which allow business owner-occupiers to design and build their own workspace.

1.8 There is a significant amount of rural workspace provision both in terms of purpose-built workshop units as well as office and industrial conversion space, although much is dated and of poor quality. Although formal demand for such space is reported to be low, there are likely to be significant levels of latent demand for new workspace. This may also apply to live/work units, albeit that these are a relatively new format in Cornwall and occupier demand levels are unclear.

1.9 Plymouth is the only adjoining area which is likely to have any significant impact on the County's commercial property market, with the other adjoining districts lacking significant centres of population and employment sites. The 100+ ha of land which is allocated for employment development in Plymouth could potentially divert some demand from parts of east Cornwall such as Saltash. However, access to the large Plymouth economy supports demand for commercial space in parts of South East Cornwall, particularly Saltash.

3. Amongst a number of economic drivers, CPR Regeneration, Newquay Cornwall Airport and the Clay Country Eco-town have potential to significantly alter the demand and supply of employment land

1.10 There are a number of major developments and initiatives, both planned and underway, that will impact on Cornwall's future economic potential. These include growth of Newquay Cornwall Airport, the regeneration of Camborne, Pool and Redruth, Combined Universities Cornwall (CUC), the Clay Country Eco-town proposals, the Convergence programme of Strategic Investment Frameworks, as well as a series of smaller scale more local projects.

1.11 In terms of employment space, the CPR Regeneration, Newquay Cornwall Airport and Eco-town proposals are likely to have the largest impacts both in terms of increasing the supply of workspace and in providing general economic stimuli which could raise demand for industrial and office premises. The additional population envisaged for the county as a result of the eco-town proposals in particular, but also more general housing development envisaged by the emerging Core Strategy, means that there should be a much greater supply of labour. However, at this stage the precise details of the employment premises components of the eco-town and airport proposals in particular are unclear and their impacts are therefore hard to estimate. There are a number of other potential economic drivers including Wavehub, the expanding CUC, a network of new Innovation Centres and the development of 'Next Generation Access'. The combined effect of these schemes in addition to the other projects detailed above suggest that a higher rate of job growth is likely to be possible than that suggested by job forecasts based purely on current economic trends.

4. Differing methods have given a wide range of options for Cornwall's future employment land requirements, but a total of an additional 150 ha has been selected as the preferred estimate for planning purposes

1.12 Four scenarios of future employment space requirements have been prepared. The job forecast-based scenario estimate of 30 ha is clearly too low for the whole county, representing an average of less than 4 ha per TTWA over the total 20 year LDF period. This is significantly lower than the other three estimates and is likely to be because the forecasts were commissioned when the UK economy was still in recession. Providing only this amount of land would fail to provide sufficient workspace development opportunities to serve the local economy and could stifle potential growth. Conversely, the Past Employment Trends Scenario estimate of 251 ha is evidently too high. This view reflects the fact that job growth in Cornwall over the past decade has been relatively high, with unprecedented national rates of economic growth and high levels of European convergence and other funding support.

1.13 Over-allocating land could potentially result in its inefficient use of land and also raises concerns over the deliverability space. This might result in land that could be released for other uses being held back, resulting in less sustainable or suitable land being needed. Therefore, this level of employment allocation might be detrimental to the whole strategy. There could also be a risk of sending mixed messages about where to focus investment, with the result that supply of employment space becomes spread too thinly and consequently does not achieve sufficient critical mass in a smaller number of locations.

1.14 In contrast, the 'Past Take Up' and 'Labour Supply' scenarios both point to a requirement of around 135 ha for the County, which lies close to the middle of the "book-end" range identified above. These potentially represent the most reliable approaches because they combine both past trends (actual development rates, not employment growth) but are also forward-facing in taking account of the jobs required to match Cornwall's future labour supply.

1.15 On this basis, planning for an overall quantum of 150 ha of employment land for Cornwall is considered most appropriate and is recommended as the preferred approach at this point in time. This will allow for relatively unconstrained growth and balances the need for the provision of sufficient land against the importance of not over-allocating land that may have limited prospect of coming forward. It should be noted however that this is not intended to act as a 'cap' on the overall quantum of employment land to be provided and if possible, a higher amount of land should be delivered to the market, albeit that this appears unlikely to occur under current economic conditions. Windfall sites, especially town centre redevelopment opportunities which have not been considered in detail in this study will be important components of future supply, and would be in addition to this 150 ha figure. Ultimately, it will be a judgement for the Core Strategy depending on the specific economic opportunities and site circumstances which exist in different locations, balanced against pressures from other land uses as well as other Core Strategy objectives such as housing requirements.

1.16 Having established the overall quantum of future employment land in Cornwall to 2026, it is necessary to apportion this requirement across the eight TTWAs split between office and industrial uses. Taking the split between office and industrial land first, the Experian job forecasts actually predict a decline in office space in future, indicating that all new development land should be for industrial use. However, this is at odds both with past trends and with emerging Council policies which aim to promote knowledge-based industries and office development in some locations. Development rates over the last decade (98-08) indicate that the annual increase in office floorspace was very similar to that of industrial and as a result, the total 150 ha requirement has been split equally between office (75 ha) and industrial land (75 ha). This has then been disaggregated by individual TTWA using floorspace stock levels as shown in Table 1.1. It should, however, be noted that the spatial and sector breakdown has considerable potential to be altered by varying market pressures and demand, as well as unforeseen development opportunities and site circumstances.

Table 1.1 Net additional land requirements under the preferred planning scenario

Travel To Work Area	Office Land (B1)		Industrial land (B2/B8)		Total (ha)
	% of Total	Net Land Needs (ha)	% of Total	Net Land Needs (ha)	
Bude	3%	2	3%	2	**4**
Falmouth & Helston	8%	6	11%	8	**14**
Launceston	4%	3	8%	6	**9**
Penzance	10%	8	10%	7	**15**
Saltash & Torpoint	3%	2	9%	7	**9**
St Austell	28%	21	32%	24	**45**
Truro	41%	30	24%	18	**49**
Wadebridge	3%	3	4%	3	**6**
Total	**100%**	**75**	**100%**	**75**	**150**

5. There is estimated to be 206 ha of undeveloped employment land in the county, although much of this is on a small number of large sites

1.17 A total of 269 developed, allocated and potential employment sites have been assessed through the Cornwall County site survey. Of the 778 ha of existing developed land supply estimated by this survey, the vast majority was assessed to be either of good or average quality with just 3% being of poor quality.

1.18 However, it should be noted that many of the poorer quality sites are occupied and serve a local need at some level, particularly in the rural areas. These include some bad neighbour uses or firms requiring very low cost premises/sites, and replacement provision would need to be ensured for them if they were to be lost from the supply. Unless current uses are causing environmental or amenity impacts for nearby residential properties, and there are suitable relocation sites, there should be a policy presumption against the loss of such sites.

1.19 Following this initial site survey, NLP were instructed to further investigate sites which were identified by the Council as containing undeveloped employment land. This process has estimated that within the sites identified there is a total of approximately 206 ha of undeveloped employment land. This compares to the 254 ha amount previously estimated as part of the 2007 Employment Space Strategic Assessment, although due to differences in the site survey methodology it does not follow that 50 ha of supply has been lost or developed in the last four years.

1.20 The distribution of the identified supply broadly matches that of the exiting land supply, with nearly two-thirds lying within the largest TTWAs of St Austell and Truro, Camborne & Redruth. Of the 206 ha of deliverable supply, 99 ha was deemed to be deliverable within the short term (next 5 years), a further 60 ha in the medium-term (5-10 years) and 48 ha in the long-term (10-16 years). Although the supply contains a large number of small sites, the overall quantum of land is heavily dependant on a small number of large sites coming forward. For example, the largest 11 sites which are all over 5 ha in area account for more than half the total supply (105 ha).

1.21 The type of premises which the land supply is likely to deliver has also been assessed and shows that the majority of the deliverable supply is most suited to industrial uses (138 ha) with a smaller amount suitable for offices (68 ha) if it is assumed that mixed-use sites come forward in a 50:50 office to industrial ratio. However, given that a large proportion of supply (117 ha) is suitable for mixed B-class uses, this split between office and industrial has considerable flexibility to respond to market or policy imperatives. It should also be noted that town centre sites, which have the potential to provide a significant amount of office space, have not been considered in detail in this study.

1.22 A ‘worst-case’ supply scenario has also been tested which discounts a further 20% from the total to reflect the fact that other sites may not come forward for reasons other than physical constraints (e.g. as a result of differing owner aspirations and low development viability), although it does not seek to discount individual sites. In such a scenario, the potential supply of undeveloped land could reduce to 165 ha.

6. Although there is an overall surplus of land, there are shortages in some TTWAs, and concerns over deliverability mean that any surplus supply should be managed carefully

1.23 Comparing the 206 ha of identified supply to estimated demand shows that, except under the continuation of past employment growth trends scenario, the County would appear to have more than enough employment space in quantitative terms up to 2026, including for the preferred scenario. However, this assumes that all potentially available supply delivers floorspace within the plan period, and is attractive to developers/occupiers, which may not be realistic. There may also be additional (particularly office) floorspace which can be delivered on redeveloped and intensified town centre sites which have not been assessed through this study and on other "windfall sites". These sites should be encouraged to deliver space where appropriate, and the 150 ha demand figure should be seen as a minimum target rather than a 'cap'.

1.24 Based on the preferred demand scenario there is a shortfall of employment land in the Bude, Falmouth/Helston, Penzance, and Truro/CPR TTWAs and an oversupply in the remainder, particularly in St Austell and Saltash/Torpoint, as shown in Table 1.2.

Table 1.2 Demand/Supply Balance for Office and Industrial Land in Cornwall's TTWAs

TTWA	Offices				Industrial			
	Requirement to 2026 (ha)	Available supply (ha)	Surplus (+)/ Shortfall (-) (ha)	Overall Balance	Requirement to 2026 (ha)	Available supply (ha)	Surplus (+)/ Shortfall (-) (ha)	Overall Balance
Bude	2	0	- 2	↓	2	0	- 2	↓
Falmouth & Helston	6	6	0	↔	8	6	- 2	↓
Launceston	3	0	- 3	↓	6	16	+ 10	↑
Penzance	8	2	- 6	↓	7	10	+ 3	↑
Saltash & Torpoint	2	9	+ 7	↑	7	20	+ 13	↑
St Austell	21	36	+ 15	↑	24	45	+ 21	↑
Truro	30	10	- 20	↓	18	33	+ 15	↑
Wadebridge	3	6	+3	↑	3	6	+3	↑
Total	**75**	**68**	**- 7**	↓	**75**	**138**	**+ 53**	↑

1.25 However, qualitative considerations (including current market conditions and expected economic drivers) mean that in many locations, the stated quantitative oversupply should be treated with some caution, particularly given concerns over deliverability.

7. Non-B class sectors are vitally important to Cornwall's economy in terms of jobs, although a high-level suggests that the land requirements are expected to be relatively modest

1.26 Non-B class sectors account for a majority of the county's jobs, although their future land requirements are expected to be generally modest. This is partly because many will utilise land already held by the relevant provider or because the use can be incorporated within mixed use developments, often in town centres. The largest requirements are likely to arise from the retail, transport, sports and minerals, waste and electricity sectors. However, estimates calculated within this study should be treated with a degree of caution and should be tested through detailed sector studies and an assessment of possible development sites for each type of activity.

1.27 Truro, Redruth and Camborne are forecast to have the highest amounts of non-B class job growth followed by St Austell, with the remainder spread fairly evenly across the other TTWAs.

8. Despite the surplus of land, development viability is relatively low and a variety of policy options should be therefore be explored to help bring forward employment space

1.28 There is forecast to be an oversupply of employment land in many travel-to-work areas, particularly for industrial space, which could indicate scope to release some existing employment land to other uses or reduce undeveloped allocations. However, a cautious approach is required to managing the competing pressures on employment sites within the County to ensure that there is sufficient deliverable employment land to meet a variety of needs across different locations, particularly given the high levels of uncertainty surrounding much of the identified supply.

1.29 Steps should be taken to explore a wide variety of options to encourage the completion of workspace including public-sector subsidy, cross-subsidisation through mixed-use development, taking a flexible approach to S106 agreements and mechanisms to provide greater policy certainty such as LDOs.

1.30 Renewal and intensification of older sites should be encouraged to ensure that they contribute positively to meeting some of the County's future growth requirements, but taking account of the particular constraints that apply on individual sites.

9. A range of additional monitoring measures are needed to ensure that the Council meets national standards and can update the findings of this study

1.31 Monitoring information on employment land was previously collected by the six former district authorities which existed prior to the establishment of the Cornwall unitary authority. Differences in approach between each of the former districts means is currently difficult to draw a comprehensive and consistent picture of past employment land trends across the County, although the first Cornwall-wide AMR has started to address this.

1.32 Not all of the relevant employment land indicators are currently being measured; therefore it is recommended that the Council establishes systems to monitor those not currently considered. A range of additional monitoring arrangements have also been suggested to help provide greater local insight into employment land delivery and the types of jobs created. Outputs from this study, particularly the process of site assessments and deliverability analysis, should be periodically updated in future as part of a plan, monitor and manage approach, and to help manage the current uncertainties around the future level of employment growth and take-up following the period of national recession.

2.0 Introduction

2.1 Nathaniel Lichfield and Partners (NLP) was appointed by Cornwall Council to undertake an Employment Land Review (ELR) as part of the evidence base to inform the preparation of the Local Development Framework (LDF) and the allocation of land for employment uses.

2.2 The Council's aims for the study are to support:

- i an assessment of the future demand for employment land (at a travel-to-work level), linked to Housing Market Areas, past market trends, labour supply forecasts, economic demand forecasts and the Regional Spatial Strategy (RSS) as appropriate. Particular focus should be given to those settlements which will get the majority of housing growth, affecting issues around the quality or surplus of employment sites and premises;[1]
- ii assessment of the future supply of sites for employment uses, both for local and strategic and/or regional requirements;
- iii assessment of the suitability of individual sites (whether existing, permitted or proposed) for future employment uses;
- iv identification of sites which are unlikely to be required by the market or are now unsustainable for employment uses;
- v development of appropriate future policies and proposals for potential inclusion in the Local Development Framework (LDF) Core Strategy, Development Plan and Supplementary Planning Documents as appropriate;
- vi improvement of systems for monitoring outcomes and reviewing employment policies and programmes through subsequent reviews;
- vii understanding public and private sector intervention requirements in different locations.

2.3 The purpose of this study is to provide evidence to support the development of the LDF. It is not a policy or strategy document per se, but instead provides analysis of some of the key employment land issues across Cornwall prior to specific planning or economic development policies being developed. An important consideration for any work of this type is that it is inevitably a point-in-time assessment that cannot entirely reflect very recent changes in circumstances; this is clearly the case regarding the recent period of national recession. This study has incorporated the data and other evidence available at the time of preparation, but has not been able to reflect all developments in

[1] On 6 July 2010, the Government announced the abolition of Regional Spatial Strategies, returning decision-making powers on housing and planning to local councils. However, this decision was subsequently revoked by the High Court in November 2010. As a result, the draft South West RSS is remains a material consideration for the purposes of this study, albeit that the weigt afforded to it is open to some debate.

what is a period of significant economic change, and other emerging changes as Cornwall Council becomes embedded as a new unitary authority.

2.4 However, the underlying objective of the Council's LDF process to plan for longer term needs to 2026 remains highly relevant, and therefore this study is intended to take a more strategic and longer term perspective of employment land issues across Cornwall. More recent changes and some more detailed local issues will need to be examined through updates to this work or supplementary evidence base studies. Broader economic strategy considerations will be progressed through the Council's Economic Ambition White Paper whilst detailed funding and intervention options are likely to be considered further through the new Cornwall & Isles of Scilly Local Economic Partnership.

Approach and Methodology

2.5 The study's approach follows Government guidance on undertaking employment land reviews[2] and the requirements of *PPS4: Planning for Sustainable Economic Growth*.[3] The principal focus is on the employment space needs for the group of B Use Classes indicated in Table 2.1. The needs of both B class employment land and floorspace are considered in the study, and references to "employment space" are intended to mean both these elements. Industrial space in this report includes both manufacturing and distribution uses which fall within B1(c), B2 and B8. Office space refers to B1(a) and B1(b) accommodation.

Table 2.1 B-class Employment Land Definitions

B1(a)	**Business** • Offices other than in a use with Class A2
B1(b)	• Research and development - laboratories and studios
B1(c)	• Light industry
B2	**General Industrial** • General industry (unless in B1)
B8	**Storage or Distribution** • Storage or distribution centres - wholesale warehouses, distribution centres and repositories

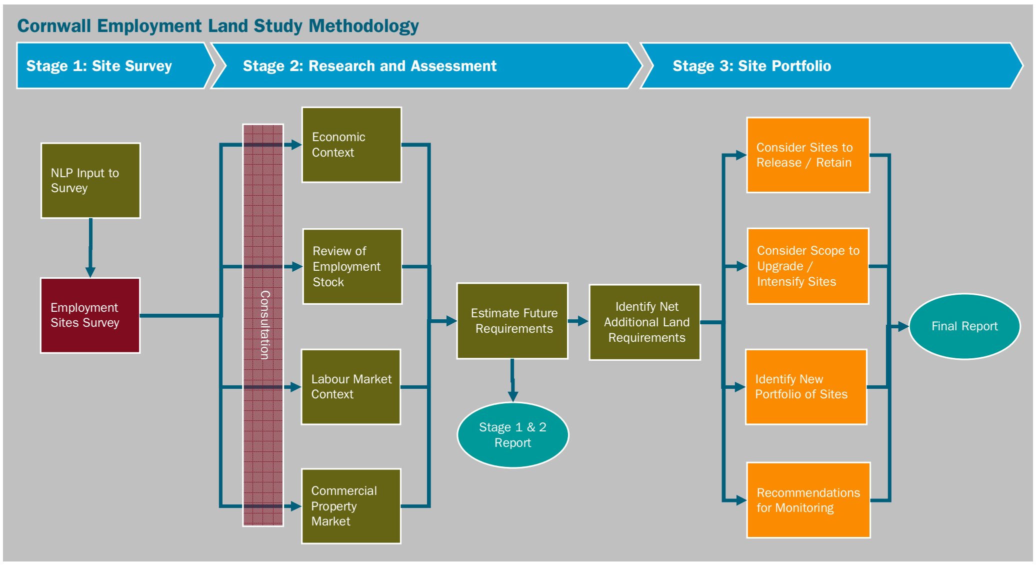
2.6 In line with PPS4, the future growth and land needs in the sectors not predominantly occupying office, industrial or distribution ('Non-B Class' employment) are also considered in broad terms. These include retail, tourism, healthcare and education, which perform an important role in providing local employment and economic growth opportunities in Cornwall. However, it should be noted that this study provides only initial analysis of these sectors which are planned in other ways, are likely to be subject to more detailed consideration as part of other evidence studies to support the LDF.

[2] *Employment Land Reviews Guidance Note*, ODPM, 2004
[3] Communities and Local Government, December 2009

2.7 The overall study process is illustrated by Figure 2.1. A key input to this process was consultation with various organisations with an interest in the supply of employment land including employers, economic development and inward investment agencies, business groups, property agents and developers. In addition to a business survey exercise, NLP facilitated two stakeholder workshops in November 2009 in Truro and Liskeard at the data gathering stage, and a further consultation event on the draft findings in July 2010 in Truro. Appendix 1 contains a list of consultees for the study.

2.8 The study draws on previous employment land studies at former district level where relevant, and other relevant documents including planning policy guidance, property market information, local and regional economic strategy documents, planning policy documents, economic sector studies and published economic statistics.

Figure 2.1 Study Methodology



Sub-County Geography

2.9 There is increasing recognition of the need to undertake economic analysis at the spatial level at which economic markets operate - referred to as 'functional economic market areas' (FEMAs).[4] By aligning economic policies and interventions at the FEMA level, there is less risk of conflicts or competition arising, and local stakeholders are better placed to make strategic decisions about economic development on a Cornwall-wide basis.

2.10 To assess the employment needs of individual areas at sub-county level, Travel-to-Work Areas (TTWAs) have been used. These are defined by the Office for National Statistics (ONS) and are based on the 2001 Census.[5] TTWAs are seen as being more reflective of functional economic geography than the former

4 *Functional Economic Market Areas: an economic note*, CLG, February 2010

5 Defined by ONS as areas in which at least 75 per cent of the resident economically active population work, and also, that of everyone working in the area, at least 75 per cent live in the area.

district areas, as they are based on commuting flows. They are also recognised by CLG guidance as the most widely used and robust sub-areas which reflect FEMAs. However, that is not to say that TTWAs are entirely self-contained, and there are significant economic flows and linkages between them which has been reflected in the report. Other geographical units, such as Town Frameworks (which are currently being developed by Cornwall Council) could be used in the future to provide a finer grained analysis, but at present very few data sets are available at this level.

2.11 Not all economic and planning monitoring data is available at TTWA level, and as a result these variables have been analysed at County or former district level. Furthermore, three TTWAs extend over the boundary into Devon (e.g. Saltash lies within Plymouth's TTWA). In order to analyse only the areas within Cornwall, these TTWAs have been 'adjusted' to include only those areas which lie within Cornwall (e.g. Plymouth TTWA is reduced to only the Saltash and Torpoint area). These geographies, their coverage and main settlements, are outlined in Figure 2.2 and Table 2.2 below.

Figure 2.2 Map of TTWAs and Former Local Authority Areas within Cornwall

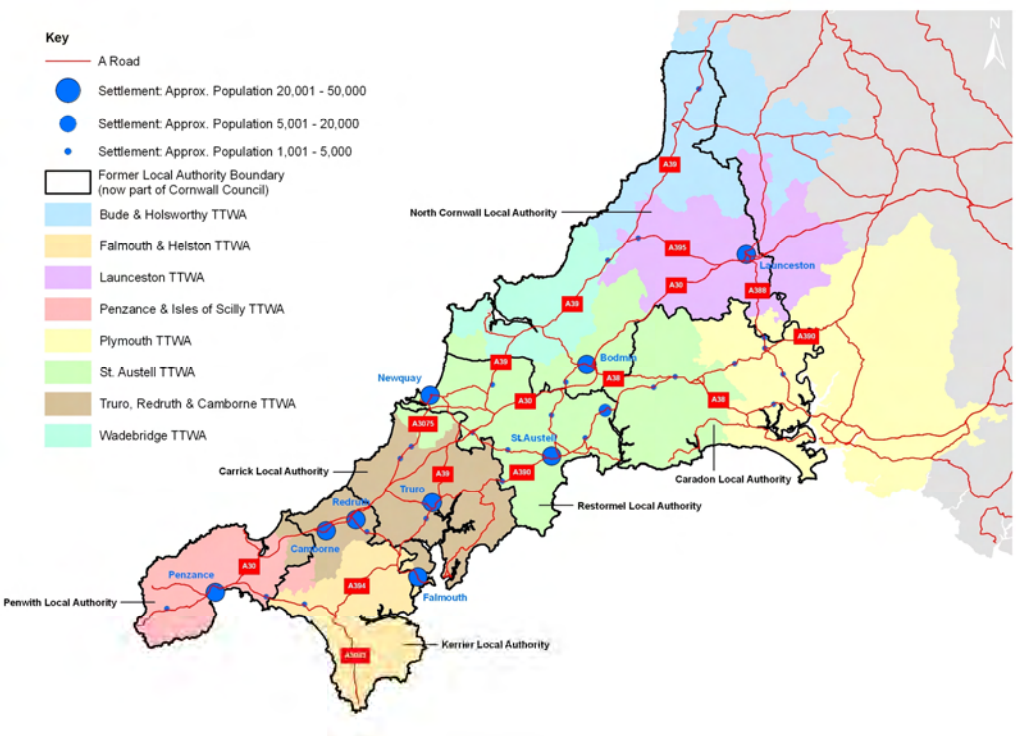


Table 2.2 'Best fit' of former local authority areas to TTWAs and main settlements

County	'Best Fit' Former Districts	Adjusted TTWAs	Main Settlements
Cornwall	Penwith	Penzance	Penzance, St Ives, Hayle
	Kerrier	Falmouth & Helston	Falmouth, Helston
	Carrick	Truro, Redruth & Camborne	Truro, Redruth, Camborne, Pool
	Restormel	St Austell	Newquay, St Austell, Bodmin, Liskeard
	Caradon	Saltash & Torpoint (Adjusted Plymouth)	Saltash, Torpoint
	North Cornwall	Wadebridge	Wadebridge, Camelford
		Launceston (Adjusted Launceston)	Launceston
		Bude (Adjusted Bude & Holsworthy)	Bude

Data Availability and Consistency

2.12 Underpinning the analysis of employment land is the availability of data and the consistency of that data over time and across defined spatial geographies. Reflecting the former district geography of Cornwall, in many cases data is not readily available at particular spatial scales or compiled on a consistent basis.

2.13 The analysis in this report is based on data supplied by Cornwall Council or its partners, as well as other publicly available datasets such as the Office of National Statistics (ONS). The report must be construed in the context of the constraints relating to the quality of any input data relied upon (including whether any verification of that data was undertaken). In some cases, former district data has been available, but not for all districts, so providing a comprehensive picture is not possible. In general terms, there are a number of areas where further data monitoring will be needed to provide a more complete picture, and this should be developed by Cornwall Council and its partners going forward. Recommendations to this effect are included in Section 12.

Report Structure

2.14 The report is structured as follows:

3. Policy Context	A brief review of the direction of travel of emerging policy and evidence base documents as they relate to employment land issues.
4. Economic Overview	An overview of current economic conditions and recent trends in the County and adjoining areas that may affect the need for employment space.
5. The Commercial Property Market	A review of the Cornwall property market and existing stock of employment space, particularly demand for and supply of different types of premises and any gaps in provision.
6. Future Economic Drivers	Overview of the major future economic drivers within Cornwall and the extent to which they will impact on the demand for employment land.
7. Review of Current and Potential	Summary of the site assessment process of existing and potential employment sites undertaken by Cornwall Council.
8. Future Employment Space Requirements	This section considers different scenarios of future employment land requirements, and converts these into gross requirements and specific needs by TTWA.
9. Demand and Supply Balance	An assessment of the balance of supply/demand of employment land, identifying how much additional land, and what types, need to be allocated and any sites to be re-allocated for other uses.
10. The Non-B Class Sectors	Review of the future growth requirements of non-B class employment sectors.
11. Strategy and Delivery Implications	Provides recommendations on planning policy and other measures to support economic growth in Cornwall.
12. Developing a Monitoring Framework	Recommendations on developing a monitoring framework and core indicators for future monitoring of employment land in Cornwall.
13. Conclusions and Recommendations	Presents overall conclusions for the study.

3.0 Policy Context

3.1 This section provides a brief review of the relevant planning and economic development policies and strategies as they relate to employment land issues in Cornwall. It is not intended to reproduce in detail the existing policy context, some of which relates to the former district areas, but to provide a strategic perspective of the broad direction of travel of both existing and emerging policies and evidence base documents that will shape the Cornwall Local Development Framework. This review is outlined in Table 3.2.

Key Influences

Regional Spatial Strategy

3.2 The Secretary of State wrote to Local Planning Authorities and to the Planning Inspectorate on 27 May 2010 informing them of the Government's intention to abolish Regional Strategies through the Localism Bill. The Bill is expected to begin its passage through Parliament in late 2010, and will return decision-making powers in housing and planning to local authorities.

European Convergence Programme

3.3 Convergence is the European economic regeneration programme for Cornwall and the Isles of Scilly that runs until 2013. It consists of two funds - the European Regional Development Fund (ERDF) and European Social Fund (ESF) and the details of these are set out in the Operational Programme documents. The South West Regional Development Agency and Government Office for the South West (GOSW) have had responsibilities devolved to them for management of ERDF and ESF respectively.

3.4 Cornwall qualified for Convergence in 2005 because its economic performance between 2000-2002 had been below 75% of the European Union average. Convergence is the third programme (following 1994-99 Southwest Objective 5b and 2000-06 Cornwall and the Isles of Scilly Objective One Programmes) that Cornwall has benefited from. It remains to be determined whether Cornwall will qualify for European funding programmes after 2013.

3.5 The current convergence programme will invest in four key areas aimed at strengthening the Cornwall economy[6]:

1. **Innovation, Research and Development** - encouraging investment in R&D, spin-outs from Higher Education establishments, incubation business space and the growth of the environmental goods and services sector;
2. **Enterprise and Investment** - increasing the proportion of business in high value activities particularly new start-ups, increasing productivity through

[6] Cornwall and Isles of Scilly Convergence Operational Programme 2007-2013

export and investment business support and generally increasing business (re)investment;

3 **Transformational Infrastructure** - turning Newquay Cornwall Airport into a successful civilian airport, improving digital infrastructure and improving/expanding CUC

4 **Unlocking the Economic Potential of Place** - physical regeneration programmes, particularly in CPR and the 'clay country' surrounding St Austell.

3.6 Under this fourth priority Strategic Investment Frameworks (SIFs) are being used to provide a framework and justification for potential Convergence investments in specific areas of Cornwall. Seven SIFs are currently being prepared which over the following areas:

- Bodmin;
- Newquay/St. Columb;
- St. Austell/St. Blazey/the Clay Area;
- Camborne/Pool/Redruth;
- Penzance/Isles of Scilly; and
- Truro and Falmouth/Penryn.

3.7 An additional SIF covering the whole of Cornwall is used to inform investments through Priority 2 of the Convergence Programme, including delivery of employment space.

Cornwall Council Economic Ambition White Paper

3.8 In early 2010, Cornwall Council published its 'white paper' which sets out the economic priorities of Cornwall Council for the next three years. The paper proposes a vision of *"a confident, resilient Cornwall that is a leader in innovative business and low carbon technologies."*

3.9 It sets out a series of key aims to guide the future shape of the Cornwall economy:

1 An economy that is resilient and draws upon its strengths

2 Economic progress that has positive outcomes for people and supports an improved quality of life

3 An economy which strengthens natural assets

4 More local people employed in high growth, knowledge based companies

5 An increase in world class skills, offering opportunities for higher incomes

6 Greater connectivity supporting business and employment growth

7 A vibrant business base where companies can innovate and flourish

3.10 To achieve these aims, a series of strategic issues are identified to support delivery within the Council and its partners, summarised in Table 3.1.

Table 3.1 Strategic Issues for Delivery

Strategic Issue	Action Programmes
Leadership in the economy	Clear, strategic **focus**
	Capacity to deliver
	Exploring opportunities to **resource** Cornwall's development
Business transformation leading to high productivity	World class **skills** to realise the potential of Cornwall
	Providing the conditions for **business-led growth**
	Supporting **innovation** for transformational change
	Promoting a culture of **enterprise**
Cornwall Connectivity	Strategic '**gateway**' opportunities which promote connectivity between Cornwall and 'the world' to attract and retain high value business
	Sustainable **movement** within and between places throughout the whole of Cornwall, to support employment growth
Place Shaping	**Transformational regeneration** in priority places
	Developing the key strengths of towns to support a sustainable, '***total place'*** and a stronger Cornwall
	Promoting successful small settlements alongside **rural and coastal vitality**
Low Carbon economy	Energy and environmental **technologies**
	Carbon reduction and increasing business **efficiency**
	Low carbon as a business growth **catalyst**

Source: Cornwall Council Economic Ambition White Paper

3.11 The emerging Local Economic Assessment for Cornwall and the Sustainable Community Strategy will also be important in determining future policies, investments and growth.

Table 3.2 Schedule of Policy and Evidence Base Documents

Policy Document	Date	Relevant Key Message
Regional Spatial Strategy	2006	• A ready supply of high quality sites and buildings at the right time and in suitable locations is fundamental to continued economic performance • Necessary to provide a larger number of smaller sites to meet organic growth and rural investment • Strategic sites will be of different sizes, serve different employment uses and provide different numbers of jobs in different parts of the region. When identifying strategic employment sites, consideration should be given to provision of onsite support facilities such as child-care and training, and to the eventual layout and quality of environment created • Within coastal towns and the developed coast, waterside sites must be safeguarded for social and economic uses which require such a location, giving priority to maritime industries • Maintaining growth and investment in smaller towns in step with both planned local population growth and household expenditure growth is important in providing choice and reducing the need to travel to other centres • Need to build on key knowledge economy based spin-offs from such as the Eden Project near St Austell, and the Combined Universities in Cornwall • Should make provision for about 16,500 jobs in the Camborne-Pool-Redruth, Truro and Falmouth-Penryn
Regional Economic Strategy	2006	• Harness the benefits of population growth • Address deprivation and disadvantage and reduce intra-regional disparities • Unique environmental/cultural assets such as quality of life are protected and enhanced • RDA priority sectors are advanced engineering, ICT, Marine, Food & Drink, Tourism, Creative Industries, Environmental Technologies, Bio-medical
The Spatial Dynamics of Change in the Region's Key Sectors (DTZ)	2005	• ICT, Creative and Environmental Technology Sectors are identified as key sectors likely to grow in the Cornish towns
Market Facing Assessment of the Demand for and Supply of Employment Land)	2005	• Cornwall has very high business start-up rate • No need for major large sites but many local sites around the key towns • Need to deliver mixed use developments, rural workspace, regeneration of existing low grade employment sites and pioneering new developments in order to assist the ongoing restructuring and diversification of the economy e.g. innovation and technology centres.
A Review of the Supply and Demand of Employment Sites in the South West (DTZ)	2006	• Lower level of commercial interest than other counties in region • Cornwall unlikely to attract institutional investment without state support • County is benefitting from 'Lifestyle shifters' and provision of small-scale space is therefore important • Truro is only location where private sector development can take place without public sector support but lack of land supply displaces this to other locations such as Falmouth • Urban extensions to Truro could alleviate land shortage if mixed-use • Most supply is extensions to existing industrial estates • 58ha of employment land needs to be allocated in the Cornish SSCT by 2026
COUNTY		
Cornwall Employment Space Strategic Assessment (Amion)	2007	• Although overall sufficient employment land supply, very little available in short-to-medium term • Shortage of premises and low vacancy constrains economic growth • Public sector will need to continue to deliver employment floorspace due to on-going market failure

Policy Document	Date	Relevant Key Message
		• CPO may be a necessary tool to secure delivery of key sites • Greater use of cross-subsidisation and S106 to secure employment space where higher value uses such as residential are also being permitted
The Economic Development Strategy for Cornwall and the Isles of Scilly (Economic Forum)	2007	• Create conditions to allow private sector delivery of space with reduced gap funding by 2013 • Bring forward market-ready space and sites which meet needs of business and inward investors • Develop space to encourage the knowledge economy • Provision of employment space that can be accessed by rural & deprived communities • Realise opportunities presented by new transport and ICT initiatives • Ensure that premises are flexible to meet changing economic circumstances
Economy & Europe Strategic Plan	2008	• Prioritise the provision of quality, well-designed employment space to develop a business-friendly environment • Develop sector and other local supply chains
Convergence Programme for Cornwall 2007-2013 Employment Space Action Plan (Amion)	2007	• low values perpetuate a situation of poor quality stock and little investment • most commercial developers based outside the county • some public-sector funded schemes have undercut the market forcing out private investment • development costs are high due to high construction costs and generally poor site conditions • very little speculative development currently ongoing • in order to support growth of live/work businesses, may need to invest in hubs with shared meeting space
The Strategic Contribution of the Main Towns to the Economy of Cornwall (Roger Tym)	2006	• Towns have generally shown good growth in employment and Truro has recently experienced a very tight labour market. However, economic decline and fragility persists in Camborne, Redruth and St Austell • Still difficult to generate sufficient value through development to attract investment in employment sites on normal commercial market terms • All towns indicate some issues about availability of suitable sites and premises • In some cases there is a serious lack of deliverable land allocated without constraints • Generally a need for more sites adjacent to town boundaries to accommodate employment growth
FORMER DISTRICTS		
Restormel Employment Land Assessment	2006	• Very limited land supply close to St. Austell but over 13ha allocated as part of the Newquay growth area • Appropriate new allocations for period to 2026 would be 26ha at St Austell, 11ha in Newquay, 3ha in the A30 corridor, 2ha in Central Restormel, 1-2ha in rural areas
North Cornwall Employment Land Review	2005	• recommended that 55-60 hectares of additional employment land be provided by 2016 and 70-76 hectares by 2026 • However at present there is a 44 hectare surplus • supply of employment land constrains economic growth and thus it is essential that the development opportunities are provided in the right place at the right time • currently available land in Bodmin and Wadebridge but less so in the other main centres • sufficient potential employment land to meet the predicted future employment land requirements
West Cornwall Supported Office Space Feasibility Study (CBS Research)	2006	• there is market failure in the supply of affordable office space in West Cornwall, particularly away from the larger urban centres • demand is focused at a price-point which is too low to support the development of commercially viable space and public-sector support is therefore required • demand is greatest for flexible space on easy-in, easy-out terms with parking, meeting rooms and secure storage

Policy Document	Date	Relevant Key Message
		• St Just, Helston and Hayle considered to be the most appropriate sites
Caradon Employment Land Review	2005	• Most jobs growth has come from dynamism of the Plymouth sub-regional economy – Saltash main focus of growth but areas not linked to it have not grown as rapidly • Forecast increase of 8,100 jobs over 2001-2016 period but this relies upon continued growth of Plymouth • recommended that additional 36ha of employment land should be allocated, primarily focussed at West of Carkeel Services, Saltash (11ha), East Charter Way, Liskeard (12ha), an extension to Moss Side Industrial Estate, Calington (3ha) and North of East Looe (1ha in conjunction with housing) • All existing sites with land remaining should be retained
Caradon Employment Space Sites and Premises Strategy	2008	• A one-site solution to employment land provision (e.g Broadmoor Farm) has been tried and failed in Caradon due to financial viability • As a result the future development programme aims to create a dispersed more dispersed provision in the 5 main towns: Liskeard, Callington, Saltash, Looe and Torpoint • In total, CRC was proposing to directly build 190,000 sq ft of business space with its own money and convergence funding across the five sites

Source: Background documents/NLP analysis

4.0 Economic Overview

4.1 This section establishes the economic context for the study by reviewing recent economic conditions and trends within Cornwall, placed in the context of the South West region and the national economy. It is not intended to be an exhaustive review of all existing economic evidence, but rather to broadly identify the existing strengths and weaknesses of the Cornish economy, significant variations and linkages between different parts of Cornwall, and the factors likely to influence the nature and level of future demand for employment space.

Geography and Population

4.2 Cornwall lies in the far south west of England forming the tip of a peninsula. It is bordered to the north and west by the Atlantic Ocean, to the south by the English Channel, and to the east by the county of Devon, over the River Tamar.

4.3 Cornwall has a total population of 531,500 and covers a largely rural area with a polycentric settlement hierarchy.[7] The seven main urban areas[8] are:

1 Redruth/Pool/Camborne;

2 Truro;

3 Falmouth/Penryn;

4 St Austell;

5 Penzance;

6 Newquay; and

7 Bodmin.

4.4 Over the past decade, the County's total population has increased by about 9%, and the working-age population registered a similar increase. This was a faster rate of increase than the South West region (7% total, 8% working age) as a whole over the same period. By 2026, the County's population is forecast to increase to 615,200 - an increase of some 16% over 18 years.[9] This is expected to be driven by net inward migration of 5,000 people per annum[10], although natural population change is expected to be negative.

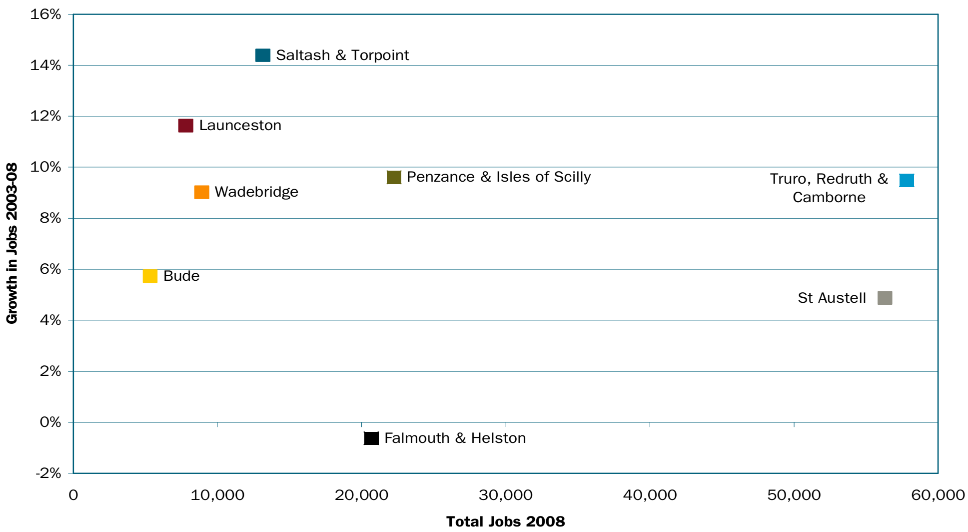
Economic Trends

4.5 The Cornwall economy has seen rapid growth in recent years with a 24% increase in jobs between 1998 and 2008, compared with a 15% increase in

[7] ONS 2008 Mid-year estimate.
[8] Strategic Urban Areas as defined in the Cornwall Structure Plan (2004).
[9] ONS 2008-based sub-national population projections.
[10] It should be noted that these figures (as they are based on 2008 figures) do not take into account the potential impacts of the recession on migration patterns.

the South West region as a whole and just 10% nationally.[11] Figure 4.1 shows total employment and growth rates by TTWA, for the shorter period between 2003 and 2008. This demonstrates the importance and size of the economies in the 'Truro, Redruth & Camborne' and 'St Austell' TTWAs which together account for nearly 60% of jobs in the county. It also highlights the particularly fast growth which has occurred in Saltash & Torpoint in contrast to the decline in jobs in Falmouth & Helston, the only TTWA to record such a decline.

Figure 4.1 Total employment and growth rates in TTWAs

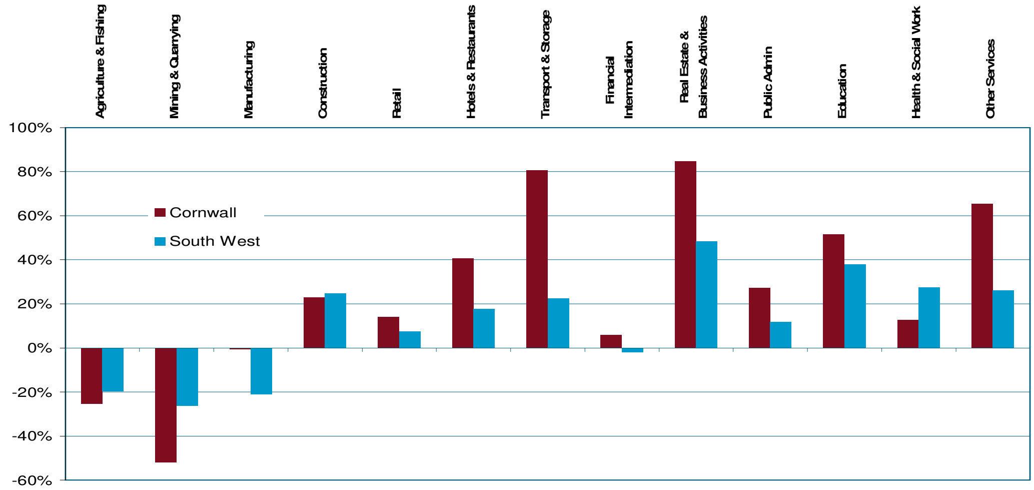


Source: Annual Business Inquiry/NLP analysis

4.6 A number of key sectors significantly outperformed the South West in terms of employment, as shown in Figure 4.2. Of particular note are the general resilience of the manufacturing sector (-1%) compared to the regional picture (-21%), and the fast growth of real estate and business activities (+85%), transport and storage (+81%), other services (+65%), education (+52%) and hotels and restaurants (+41%).

11 Source: Annual Business Inquiry

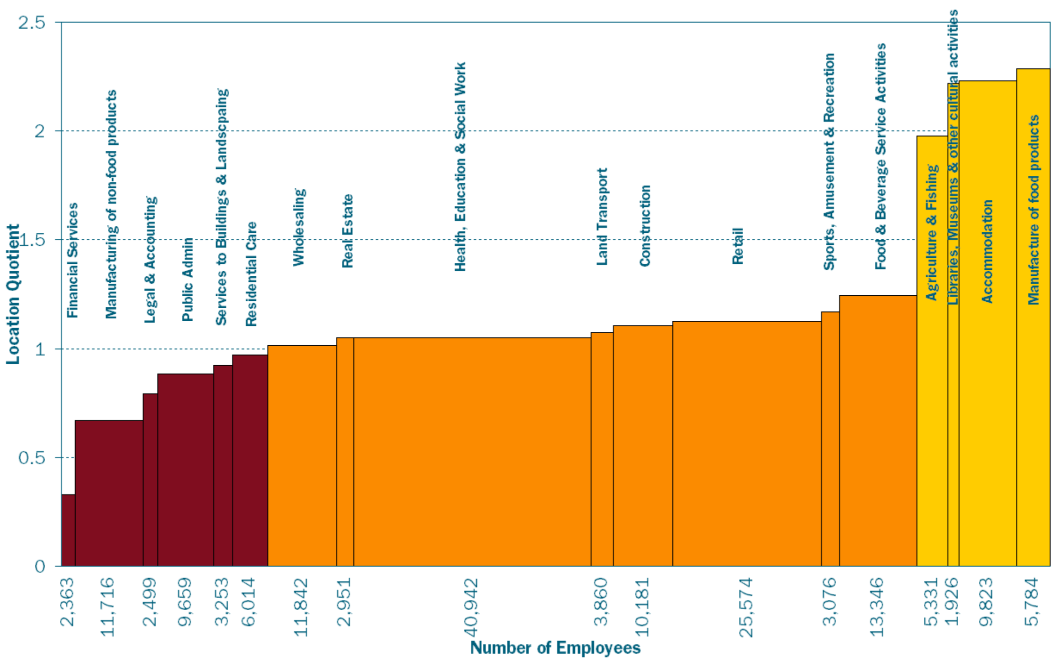
Figure 4.2 Growth in employment by sector, 1998-2008



Source: Annual Business Inquiry/NLP Analysis

4.7 A more detailed examination of key economic sectors and their concentration within Cornwall (measured by Location Quotients, whereby a quotient of less than one indicates a lower concentration than the regional average and vice-versa) is shown below in Figure 4.3. This highlights several characteristics of the county's economy including the relative importance of food (both manufacturing and serving), and tourism-related sectors (accommodation and museums/attractions). Sectors which are under-represented include most financial and business services (legal, accounting, employment, finance) and non-food manufacturing.

Figure 4.3 Location Quotients of Key Sectors



Source: Annual Business Inquiry 2008/NLP Analysis

Knowledge-based Industry

4.8 Knowledge-based industries are those sectors of the economy where value-added is derived from the intensity and accumulation of knowledge, often fostered through innovation and increased use of technology. Firms within this sector tend to grow faster and have greater future potential than other sectors and so are considered an important indicator of an economy's competiveness and future growth prospects.

4.9 As Table 4.1 shows, all areas of Cornwall have lower proportions of knowledge based industries[12] (10-14%) when compared with the South West (16%) or Great Britain (17%) as a whole, with only Carrick (13.6%) approaching this level.

Table 4.1 Proportion of knowledge-based industries

Area / Former District	Proportion of Businesses
Great Britain	17.2%
South West	15.7%
Caradon	11.4%
North Cornwall	11.0%
Kerrier	10.6%
Carrick	13.6%
Restormel	9.8%
Penwith	9.7%

Source: UK Competitiveness Index 2008

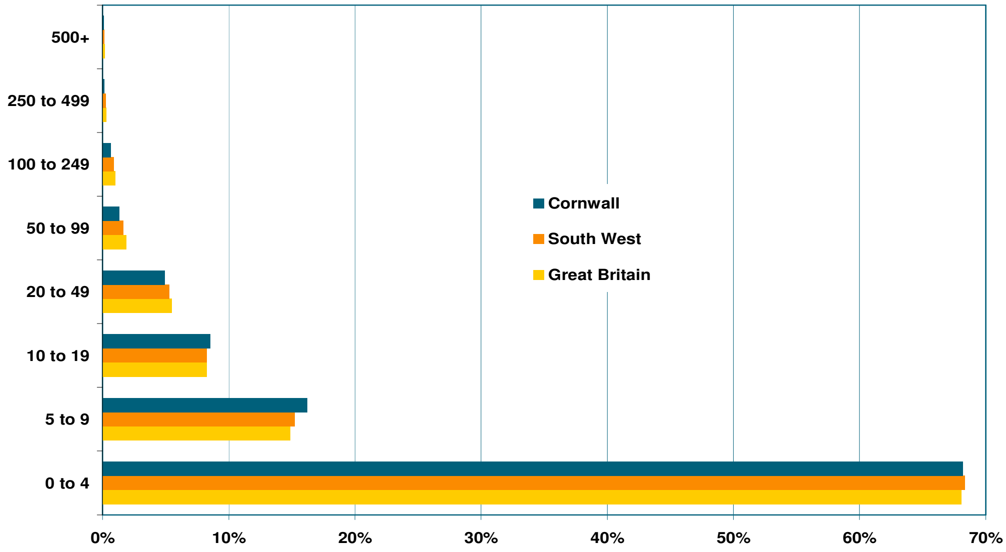
Economic and Business Activity

4.10 Economic activity is at a reasonable level in Cornwall, with 78.1% of the working-age population being economically active, although this is slightly below the levels in the South West (81.9%) and nationally (78.9%).

4.11 The vast majority of Cornwall's businesses are small with 84% having fewer than 10 employees. As shown in Figure 4.4, the size distribution is relatively similar to the regional and national pattern, although the County is slightly more dependant on small firms (5-19 employees) and slightly less dependant on medium/large (20-249 employees) firms. However, this does not reflect the county's high number of micro businesses which do not meet the VAT registration threshold.

[12] As defined by the OECD which includes the following sectors: Pharmaceuticals, Office machinery and computers, Aerospace, Precision instruments, Electrical/Electronic engineering, Telecommunications, Financial intermediation, Insurance and pension funding, except compulsory social security, Activities auxiliary to financial intermediation, Computer & related activities, R&D, Other business activities, Motion picture and video activities, and Radio & television activities.

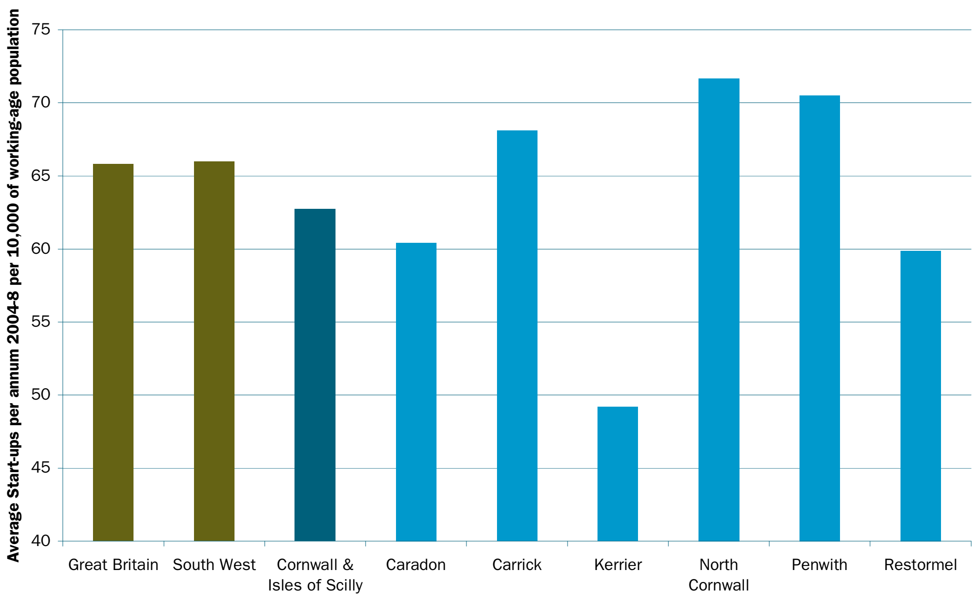
Figure 4.4 Proportion of business 'units' (companies and branches) by size band (number of employees)



Source: ONS, UK Business Activity and Size Statistics 2009

4.12 At an average of 63 start-ups per 10,000 working age population over the period 2004-8 (which included periods of both high economic growth and recession), business start-up rates across Cornwall are slightly below the regional and national averages (Figure 4.5). However, this masks significant variation across the former district areas, with North Cornwall, Penwith and Carrick all recording rates above the regional/national average, Restormel and Caradon being about average, but with Kerrier being significantly below average.

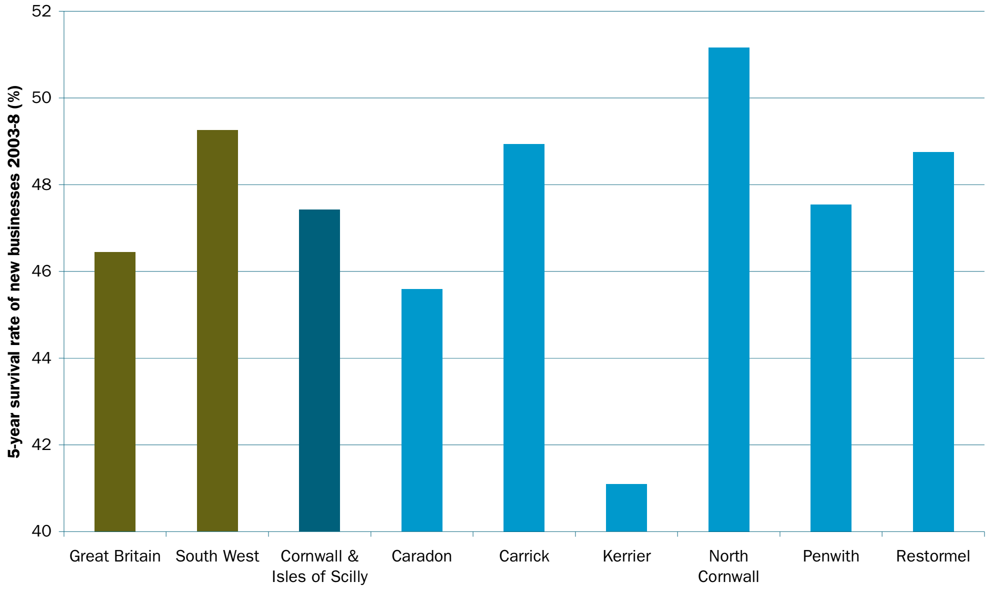
Figure 4.5 Average Annual Business Start-up Rates 2004-8 per 10,000 of working-age population



Source: ONS, Business Demography

4.13 A similar pattern emerges with regard to the survival of new business start-ups (Figure 4.6), with the County average over the period 2003-2008 being similar to regional and national rates. Likewise, some areas, such as North Cornwall have very high survival rates, but with others, and the former Kerrier area in particular, substantially below average. These significant rates of business 'churn' indicate a need for a suitable 'safety margin' of available workspace above the normal requirement to allow new businesses to be established and to grow, as discussed later in Section 8.

Figure 4.6 5-year survival rate for new businesses 2003-2008

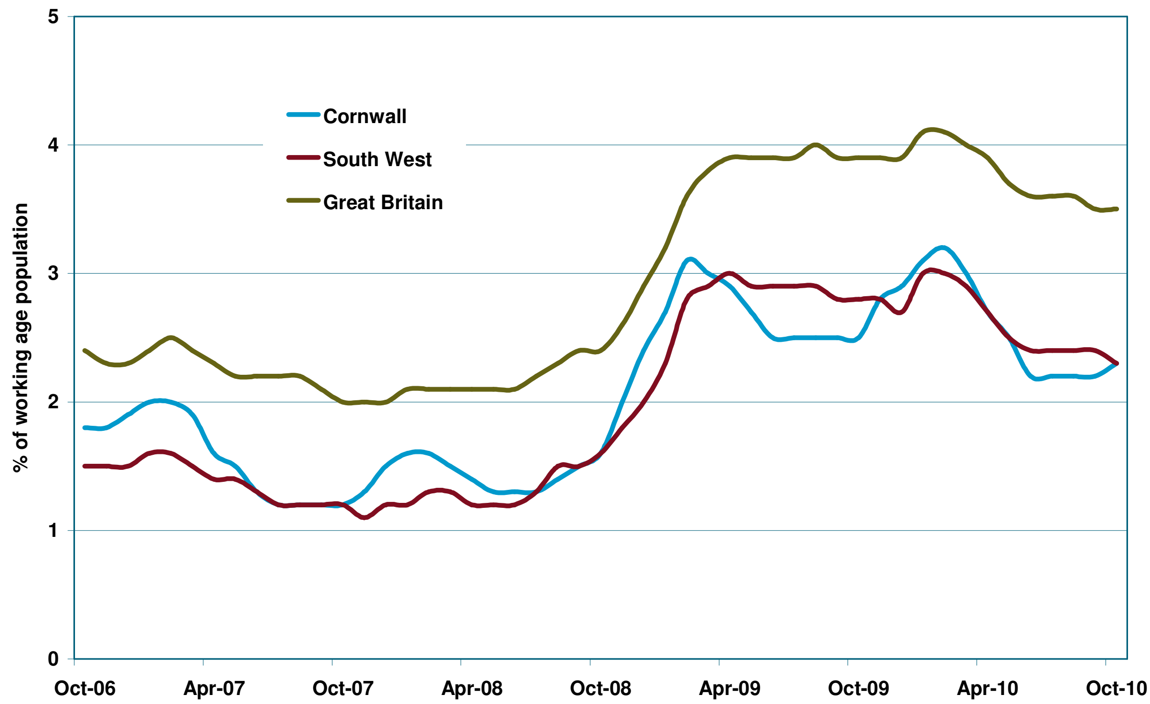


Source: ONS, Business Demography Statistics

Labour Market

4.14 Claimant unemployment in Cornwall is relatively low with 2.3% of the working-age population claiming Job Seeker's Allowance (JSA) in October 2010. As shown in Figure 4.7, the county's claimant unemployment rate has recently been below the national rate and tracked the regional average closely.

Figure 4.7 Claimant unemployment, 2006-2009



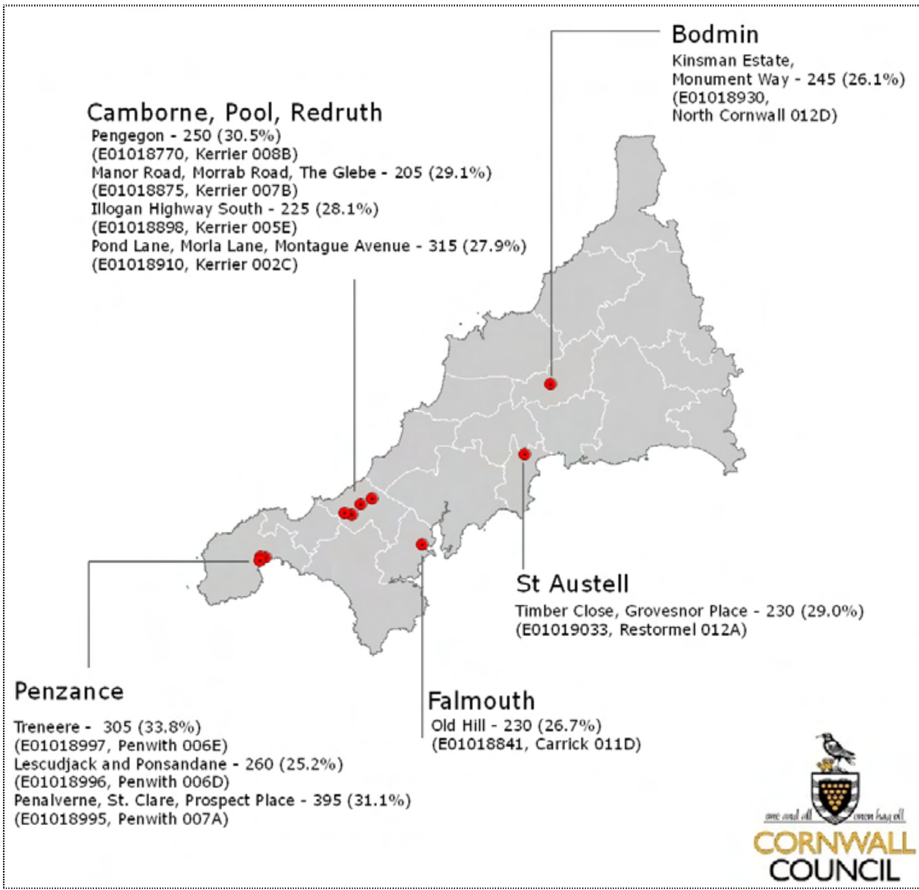
Source: ONS/NLP analysis

4.15 A broader indication of unemployment is given by the Annual Population Survey which records all those currently out of work but seeking it, and not just those claiming benefits. This gives an unemployment rate of 5.6% in comparison with 7.9% in Great Britain and 6.3% in the South West.[13] This indicates that a significant proportion of the County's unemployed are either failing to claim, or are ineligible for job seekers allowance.

4.16 It is also worth noting that wider issues of worklessness are a deep-rooted issue in some parts of the County. A Worklessness Assessment has been prepared as part of the Cornwall Local Economic Assessment (LEA). This highlights the spatial concentration of those neighbourhoods with persistently high levels of benefit claimants for JSA, incapacity benefit and income support (Figure 4.8).[14] The 'Cornwall Works' strategy is coordinating efforts across partners to address worklessness issues across the County.

[13] Source: Annual Population Survey (April 2009 - March 2010).
[14] Worklessness: Key messages, Cornwall Council Community Intelligence, February 2010.

Figure 4.8 Neighbourhoods with Highest Levels of Worklessness (25% of working-age residents claiming benefits)



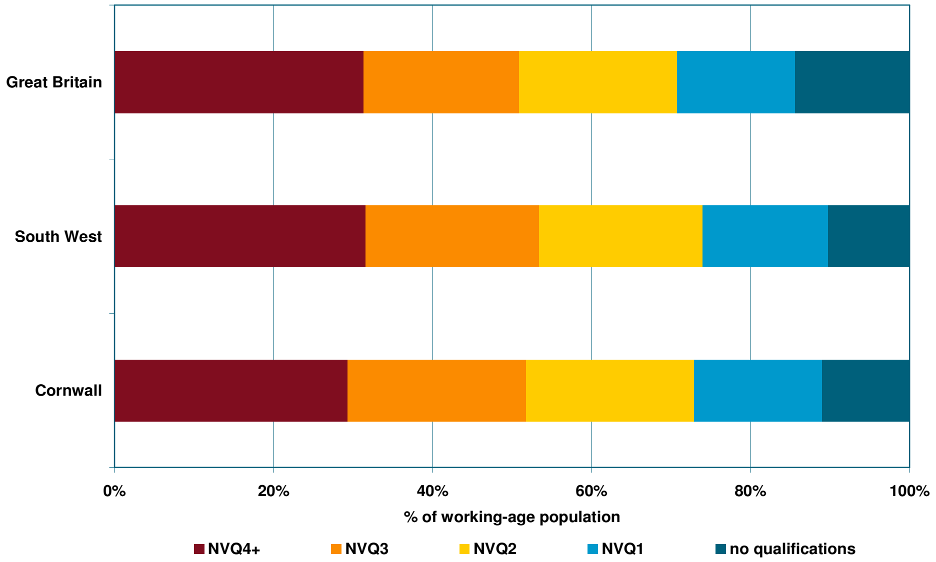
Source: Cornwall Council, 2010

4.17 Another key feature of the County's economy is the high level of self-employment. This stood at 15.2% in the year to June 2009, compared with 11.2% in the South West and 9.1% nationally.[15] In addition, a low proportion of the jobs in the county are full-time. Of the 193,700 employee jobs in the county in 2008, only 60% were full-time compared with 65% in the South West and 69% nationally.

4.18 Skill levels are relatively low in Cornwall with a slightly lower proportion of people with degree-level qualifications, and a slightly higher proportion of people with no qualification compared to the regional average, as shown in Figure 4.9. Prior to the recession, there was some evidence that employers in Cornwall were experiencing some shortages of skilled staff. A 2007 survey[16] highlighted that 17% of employers in Devon and Cornwall reported skills gap when recruiting, with the largest skills gaps occurring in the healthcare sector, albeit the survey was weighted more towards Devon than Cornwall.

[15] *ibid.*
[16] Devon and Cornwall National Employer Skills Survey, 2007

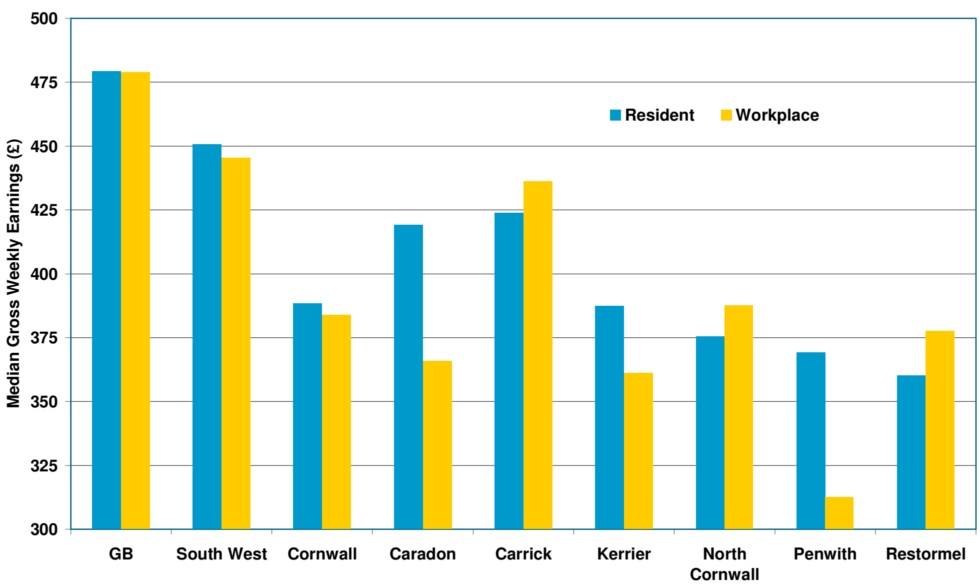
Figure 4.9 Skill levels of the working-age population



Source: Annual Population Survey/NLP analysis, 2009

4.19 Reflecting the skills mix, wage levels in Cornwall are low by South West and national standards as shown in Figure 4.10. Across Cornwall as a whole, resident earnings are broadly comparable to workplace earnings. However, there are some significant intra-County disparities.

Figure 4.10 Median weekly wages



Source: ONS Annual Survey of Hours and Earnings, 2008

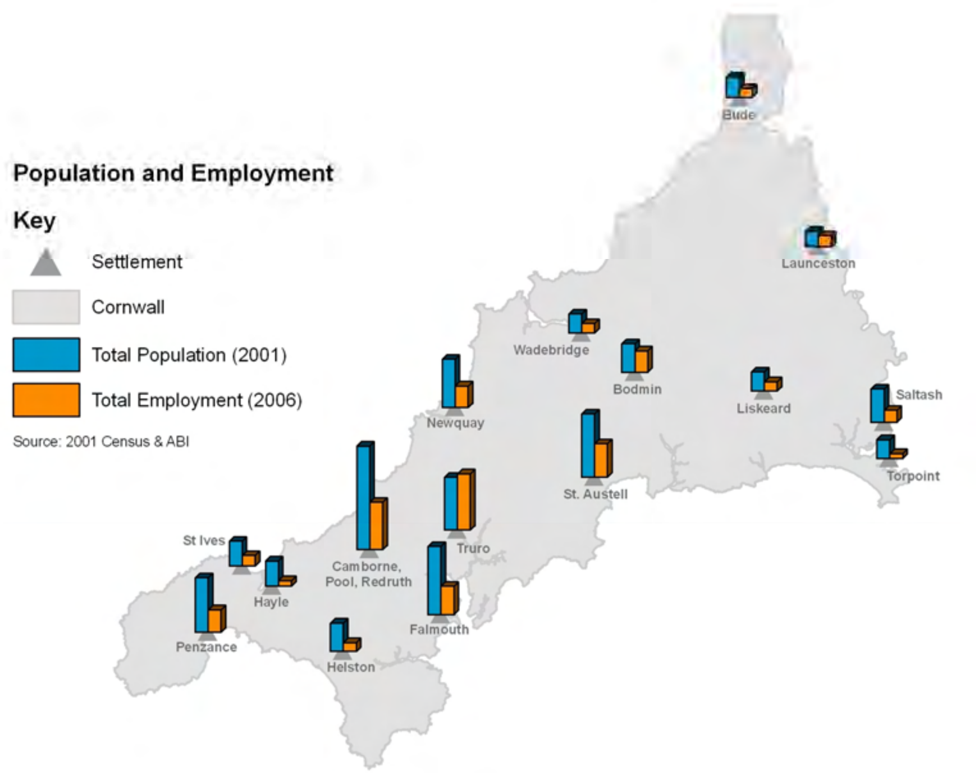
4.20 Workplace earnings are highest in Carrick reflecting the large number of higher paid jobs in Truro (potentially reflecting the concentration of public sector jobs) and lowest in the western former districts of Kerrier and Penwith. South East Cornwall and the far West of the County (former districts of Caradon and

Penwith) have very large disparities between resident and workplace earnings, reflecting the fact that many of the residents in these areas commute to better paid jobs in adjoining areas (e.g Plymouth or Truro).

Overview of Functional Economic Geography

4.21 The relative size of the towns in Cornwall and the number of jobs they provide is illustrated in Figure 4.11. This emphasises the importance of Truro's employment function to the County as it is the only settlement where workplace jobs exceed resident population. Other towns with a relatively high number of jobs include Camborne, Pool and Redruth, St. Austell and Falmouth, although on a smaller scale than Truro.

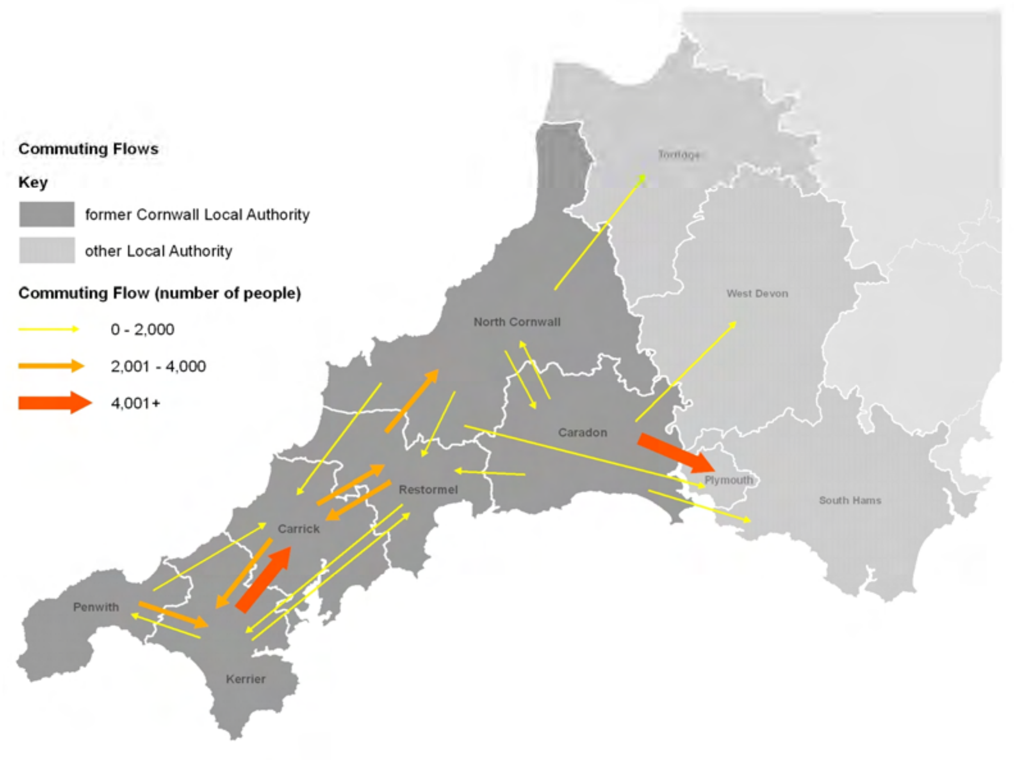
Figure 4.11 Population/Employment Balance in Main Towns



Source: 2001 Census/ABI

4.22 Reflecting this distribution of population and jobs, there were significant commuting flows between the former Cornwall districts at the time of the 2001 Census (Figure 4.11). There were large flows into Carrick due to the number of jobs in Truro, and also from Caradon to Plymouth, highlighting the City's influence on the labour and property markets of south east Cornwall.

Figure 4.12 Commuting Flows, 2001



Source: ONS/NLP Analysis

4.23 The functional relationship between Truro, Camborne-Pool-Redruth and Falmouth-Penryn is particularly significant. Taken together, these three centres account for around 51,000 jobs with a commuting draw which stretches over a large part of Cornwall. Truro is Cornwall's major employment and administrative centre, and therefore a centre of sub-regional significance. Camborne-Pool-Redruth (CPR) - Cornwall's largest conurbation - is an identified regeneration priority where significant new investment is being focused to develop its function as an employment and service centre to create a 'step change' in terms of future growth. It therefore provides one of the most significant opportunities in the County for regeneration and brownfield development. Falmouth-Penryn is closely linked to Truro and Camborne-Pool-Redruth and is a significant centre for business, maritime and tourism activities, and as the hub of the Combined Universities in Cornwall (CUC).

4.24 The Cornwall Towns Study[17] demonstrates quite significant linkages between these three centres and the neighbouring towns in mid and west Cornwall, including Newquay, St. Austell, and Penzance although these also function as independent centres. Bodmin performs a key role as a major employment centre in North Cornwall and its linkage with St. Austell and Wadebridge is another important inter-relationship. Taken together these towns will be increasingly important in meeting future development needs in Cornwall to help relieve pressure from Truro, CPR and Falmouth-Penryn.

[17] *The Strategic Contribution of the Main Towns to the Economy of Cornwall*, Roger Tym & Partners for Post-2006 Group, 2006.

4.25 In south east Cornwall, many towns such as Liskeard and Torpoint are relatively self-contained in terms of employment and they perform an important local and service centre role within their surrounding hinterlands. However, Plymouth exerts significant influence on the labour and property markets of the more accessible towns in particular, such as Saltash.

4.26 The County's other main towns of Hayle, Helston, St. Ives, Wadebridge, Launceston, Callington and Bude are much smaller centres, providing retail, employment and community facilities for their rural catchments and as important leisure and tourist destinations.

4.27 The specific economic conditions in each TTWA are considered in more detail below, with a summary presented in Table 4.2 which follows.

Bude (part of Bude and Holsworthy TTWA)

4.28 The Cornwall component of the Bude & Holsworthy TTWA is a sparsely-populated, predominantly rural area with relatively poor transport links to the rest of Cornwall and Devon, with the main road access via the A39. The principal settlement is Bude-Stratton.

4.29 The local economy is largely based on retail and services sectors, in particular tourism activities, although there is also a concentration of more specialist biotechnology R&D activities, due in part to the legacy of the Tripos Receptor Research Centre. Local unemployment is low and there has been modest employment growth in recent years.

4.30 King's Hill Industrial Estate is the main employment site in the town and demand for premises is reported to be strong with low vacancy and strong take-up of new premises.

Falmouth and Helston

4.31 This area covers the main settlements of Falmouth, Penryn and Helston, and also includes a large rural area including the Lizard. Whilst unemployment is similar to the county average, this area has seen an overall decline in jobs in recent years – the only TTWA in Cornwall to record this.

4.32 Falmouth has traditionally had significant employment in marine-related manufacturing industries, which remain important but are vulnerable to decline. However, the marina-led redevelopment of the docks could potentially be a significant economic driver for the area in future. There has been a shortage of employment space in recent years, but new development at Falmouth Business Park has provided valuable modern and high quality space, although take-up has been relatively slow during the recession. The new Combined Universities Cornwall (CUC) campus at Tremough is a significant regeneration influence for the town, as is the new business incubation facility which will be located there. The recently upgraded rail link to Truro will be important to ensuring that Falmouth can benefit from, and contribute to, the growth of the wider central Cornwall market.

4.33 Helston's economy has seen little recent development despite the long-standing allocation of Helston Business Park. The town's economy is significantly influenced by RNAS Culdrose which is a major local employer and source of spending. The main industrial estate - Water-ma-Trout - is now fully developed. A key future driver of growth will be the development of the Combined Universities Cornwall (CUC) campus at Tremough.

Launceston

4.34 The Cornwall component of the Launceston TTWA contains the principal settlement of Launceston which acts as a major service centre for a large rural area of east Cornwall and west Devon. There has been consistent growth in jobs in recent years and unemployment is well below the County and regional averages. Local employment is concentrated in manufacturing (food and drink), retail and services sectors, including education and health.

4.35 Launceston has good strategic road access to the rest of Cornwall, Exeter and other parts of Devon due to its position on the A30, and has therefore proved attractive to industrial and distribution occupiers. The main B-class employment site is the large (36 ha) Pennygillam Industrial Estate which lies adjacent to the A30 and has gradually expanded through phased development. The town also contains the smaller Newport Industrial Estate (8ha).

Penzance

4.36 This area covers the main settlements of Penzance, St Ives and Hayle. Penzance is an important service centre for this part of the county, including as an access point to the Isles of Scilly. Claimant unemployment is currently slightly above the county average, but there has been sustained job growth in recent years.

4.37 Penzance has a mixed economy of retailing, tourism and light industry, including the marine sector. The town's future direction will depend on improvements to the town centre, regeneration of Penzance harbour, and alleviating local traffic congestion. St Ives is an important centre for tourism, cultural and creative industries, for which the development of Tate St Ives has been an important driver. The town is constrained by its topography and access, with traffic congestion a particularly significant problem, although this may be alleviated somewhat by a proposed park and ride facility proposed at St Erth. Hayle functions as a smaller local centre for retail and other services, with a large proportion of residents out-commuting. The town's future growth could be enhanced by the development of the Wave Hub renewable power project and marine renewables business park, as well as the wider regeneration of Hayle harbour.

4.38 The main employment site is the Long Rock Industrial Estate in Penzance which extends to around 13ha adjacent to the A30 whilst there are also significant estates in St Ives and Hayle.

Saltash and Torpoint (part of Plymouth TTWA)

4.39 The Cornwall part of the Plymouth TTWA contains the settlements of Saltash and Torpoint. The area generally has good transport links to Plymouth via the A38 and Tamar Bridge and has large out-commuting flows with 43% of Saltash's working population travelling to Plymouth[18], albeit that settlements further from transport links such as Callington and Torpoint have much lower rates of out-commuting. Employment growth has been sporadic although the number of jobs is now significantly higher than in 2003 whilst unemployment is well below the County average despite a much higher rate prevailing in Plymouth.

4.40 Much of the location's attraction for business relies upon its proximity to Plymouth, and to some extent this has meant Saltash has become more of an 'overspill' location for the City rather than a distinctive centre in its own right. By comparison, Torpoint is more isolated but still reliant on Plymouth for employment with HMS Raleigh, a Royal Navy training facility, being the town's main employer. In addition, the town's transport links are more constrained, with poor road links and a ferry connecting it to Plymouth.

4.41 Saltash Parkway is the main B-class location and is dominated by manufacturing and distribution uses, although there is also land available at Trevol Business Park, Torpoint. Future economic growth will, to some extent, also be influenced by developments within Plymouth given the close economic linkages.

St Austell

4.42 This is the largest TTWA in Cornwall and covers the major settlements of Newquay, Bodmin, St Austell and Liskeard. Overall, unemployment is around the county average and there has been a modest level of employment growth in recent years.

4.43 St Austell is the largest town in the TTWA and is a significant service centre which has traditionally relied upon the Clay Country industry for employment and now faces major economic challenges following with the decline of the industry. The town's position away from the A30 has limited its attractiveness as a business location in recent years, and therefore improving strategic links is a priority. Major town centre regeneration is taking place, for example the White River Place retail development which opened in October 2009, and the Clay Country eco-town proposals by IMERYS are located close to the town[19], both of which are important future economic drivers.

4.44 Bodmin is a major commercial centre due to its connectivity via the A30 and A38, and has generated employment growth and development interest. The

[18] Source: 2001 Census – Flow is from the four Saltash wards (Burraton, Essa, Pill, St Stevens) to the Plymouth UA area

[19] The Eco-towns Supplement to PPS1 (DCLG, July 2009) states that eco-towns are one of a range of options local planning authorities should consider when determining how to meet their current or emerging housing requirements set out in the RSS. St. Austell (China Clay community) is identified within the PPS as a potential eco-town location.

town is exposed in terms of some manufacturing industries such as food and drink and publishing/printing. The town has a number of large industrial estates including Walker Lines, Bodmin Business Park and Callywith Gate.

4.45 Newquay's economy is dominated by the tourism and leisure sectors supported by the local workforce, with some out-commuting to other locations such as Truro. The area offers significant environmental and quality of life attractions, and the potential of both the tourism and lifestyle choice business sectors will be major influences of the town's economy. The expansion of Newquay Cornwall Airport will also be an increasingly important growth driver for this location, and has the capacity to provide a flagship new employment location, as well as attracting specialist air-related activities. These complement the A30 location where there are already large employment locations such as Indian Queens. In addition, large increases in population and employment are planned in the longer term as part of the Newquay Growth Area development.

4.46 Liskeard is a smaller town with a relatively narrow employment base in retail and service activities, but no significant representation in manufacturing sectors. The town has a reasonable degree of self-containment (50% of resident employees have jobs within the town), although a proportion (12%) of workers out-commute to Plymouth.

Truro, Redruth and Camborne

4.47 This large TTWA covers the two main conurbations of Truro and Camborne, Pool and Redruth (CPR) which differ markedly in their economic characteristics. The area as a whole has seen significant job growth in recent years and an unemployment rate at around the County average but significantly below the national rate.

4.48 Truro acts as the county's main centre for public administration, business services, healthcare, retailing and education. Unemployment is low, and the town's quality of environment and character is a significant attraction for service activities. Furthermore, the proposed Treliske Innovation Centre and nearby Medipark developments could further increase employment levels. However, potential development land is limited and traffic congestion is becoming an increasing problem, although the new Park and Ride site may help to alleviate transport constraints to some extent. The primary location for offices has traditionally been Truro town centre, but a lack of modern supply and the problems of traffic congestion and a lack of parking have driven development out of the town centre to Threemilestone Business Park and at Newham. The ability of Truro to accommodate future growth represents a key challenge in terms of infrastructure, transport, housing growth and the availability of employment sites and premises, although the recent park and ride could contribute to alleviating some of these issues.

4.49 By comparison, CPR is a major regeneration priority where a 'step change' is sought in an economy more reliant on industrial and manufacturing jobs. These towns have a much higher level of unemployment and some areas of significant deprivation. The main industrial stock is focused in a number of large industrial estates such as Treleigh and Barncoose.

4.50 Future economic growth in this area is likely to be driven through new innovation centres in Pool and health-related growth at Treliske in Truro, whilst the CPR Urban Regeneration Company (URC) has a number of schemes for new business premises including the expansion of Tolvaddon Business Park and the development of new office space as part of a major mixed used development masterplanned at Pool.

Wadebridge

4.51 This small TTWA covers the settlements of Wadebridge, Padstow and Camelford, all of which are local service centres with employment focused in retail and tourism-related sectors. Unemployment is low and there has been modest growth in employment in recent years, albeit that the economy in this area is still relatively small.

4.52 The main employment locations are small industrial estates in Wadebridge (Trenant) and Camelford (Highfield) and there are strong economic linkages with Bodmin, which is generally seen as the more attractive area for business given its proximity to the A30 and A38 trunk roads.

Table 4.2 Overview of TTWA Economic Conditions

TTWA (original TTWA (which has been adjusted)	Key settlements	Total jobs (2008)	Job growth (03-08)*	Main employment sites	Significant economic developments/drivers
Bude (part of Bude & Holsworth TTWA)	Bude-Stratton	5,333	**+289 (+6%)**	• Stratton Business Park • Kings Hill industrial estate	• Attractions for lifestyle business relocations
Falmouth and Helston	Falmouth, Penryn and Helston	20,666	**-131 (-1%)**	• Falmouth Business Park • Water-ma-Trout, industrial estate and Helston Business Park	• CUC campus & innovation centre, Tremough • Falmouth business park • Marine industries • Extensions to Kernick & Bickland Industrial Estates
Launceston (part of Launceston TTWA)	Launceston	7,814	**+814 (+12%)**	• Pennygillam industrial estate	• A30 strategic developments
Penzance	Penzance, St. Ives and Hayle	22,255	**+1,950 (+10%)**	• Long Rock industrial estate, Penzance • Penbeagle industrial estate, St. Ives	• Hayle harbour regeneration • Wave hub project • St Ives creative/cultural industries
Saltash and Torpoint **(part of Plymouth TTWA)**	Saltash and Torpoint	13,159	**+1,655 (+14%)**	• Saltash Parkway • Trevol Business Park	• Plymouth regeneration • Saltash strategic employment sites
St Austell	St. Austell, Newquay,	56,310	**+2,620 (+5%)**	• Walker Lines, Bodmin	• St. Austell town centre regeneration

TTWA (original TTWA (which has been adjusted)	Key settlements	Total jobs (2008)	Job growth (03-08)*	Main employment sites	Significant economic developments/drivers
	Bodmin, Liskeard			• Bodmin Business Park • Holmbush industrial estate, St. Austell • Treloggan industrial estate, Newquay • Indian Queens trading estate	• Clay Country eco-town • Expansion of Newquay Cornwall Airport • Newquay Growth Area • Attractions for lifestyle business relocations
Truro, Redruth & Camborne	Truro, Camborne, Pool and Redruth	57,818	**+5,010 (+9%)**	• Truro town centre • Threemilestone Business Park, Truro • Treleigh industrial estate, Pool • Tolvaddon Business Park	• Treliske hospital and medi-park • Treliske and Pool innovation centre • CPR regeneration
Wadebridge	Wadebridge, Padstow and Camelford	8,921	**+738 (+9%)**	• Trenant industrial estate, Wadebridge • Highfield industrial estate, Camelford	• Attractions for lifestyle business relocations

Source: NLP analysis
Note* Data only available for 2003 to 2008 by TTWA

Conclusions

4.53 Cornwall comprises a large rural area, with a polycentric network of relatively small settlements. The county's economy has been shaped by its peripheral geographic position. However, the last decade has been one of significant economic growth with high rates of job and company formation. However, wages remain very low and there is seasonal dependence on low-skilled jobs, a relatively low proportion of businesses are knowledge-based, and a high proportion of employment is part-time. Going forward, public sector funding will become more constrained in the short to medium-term, which may impact to some extent on job growth and economic activity.

4.54 Drawing on the above analysis, Table 4.3 overleaf summarises particular strengths, weaknesses, opportunities and threats relevant to the County. Many of these issues will have some bearing on future employment land requirements and the broader direction of economic strategy in Cornwall.

Table 4.3 SWOT analysis for Cornwall's Economy

Strengths	Weaknesses
• High quality of life and environment • Strong recent employment growth in wide variety of sectors • Strengths in specialist sectors such as maritime industries, tourism and culture in some locations • Low claimant unemployment • Less immediate impact from the recession than elsewhere	• Small centres of population (making large-scale commercial development unviable) • Limited public transport frequency/coverage in some locations, peripheral geographic position and large distances between centres • High proportion currently seeking employment and generally below-average economic activity • Housing affordability • Low rate of business formation • High proportion of part-time/seasonal jobs
Opportunities	**Threats**
• Growing population (enlarged labour force and customer base) • High rates of in-migration • Continued European funding until at least 2013 • Enhancing connectivity to next generation broadband access • Growth of Newquay Cornwall Airport and associated development • Clay Country Eco-town proposals • Growth of CUC and new business incubator facilities • Potential for 'green' industries	• Potential lack of European funding after 2013 • Low proportion of knowledge-based businesses • Need for public sector funding to bring forward most employment sites • Increased strain on infrastructure as a result of housing and economic growth in some locations • Spending cuts and high reliance on the public sector • Some skills gaps may inhibit growth of high-value sectors • Potential for population growth to outpace employment growth

Source: NLP analysis

5.0 The Commercial Property Market

5.1 This section describes current commercial property market conditions in Cornwall and the different sub-markets within the County, including recent trends in the demand for and supply of industrial and offices premises, and the factors affecting these.

5.2 Both the amount of employment land and the quantity of built employment floorspace are considered across the main types of employment uses - primarily offices (use class B1a), manufacturing industry (B1c and B2) and warehousing and distribution (B8). Trends in the demand and supply of employment space were assessed from the following sources:

- i discussions with commercial property agents;
- ii commercial floorspace data from ONS and Valuation Office Agency (VOA);
- iii monitoring data on employment development recorded by the former district authorities and County Council; and
- iv commercial property databases.

Overall Market Conditions

5.3 The Cornwall economy is broadly characterised by few large employers and a high proportion of small and micro businesses. This means that commercial workspace demand as reported to agents often tends to be relatively local and the requirements fairly small-scale in nature.

5.4 However, this general pattern of demand hides the fact that when good quality space or land does become available in the right location there can be significant market interest. Therefore, it raises the question of how apparently low levels of reported market demand can be reconciled against strong demand when new developments do come onto the market and reasonably low levels of vacancy? There are a number of possible underlying factors:

- Cornwall's market is characterised to some extent by "latent demand" – it means that at any point in time there may only be a limited number of businesses actively seeking new premises (and thus registering this interest with commercial agents), but demand tends to materialise when new supply becomes available. This may reflect that businesses do not consider moving until there is a level or type of supply which presents an attractive proposition for their needs or future business plans. The effect of this may be that development of new employment space is unduly limited because developers cannot perceive, or have insufficient certainty of, the levels of demand that exist;

- a significant proportion of individuals and micro-businesses choose to work from home and therefore do not enter the 'formal' workspace market. This may be due to issues of cost, lifestyle choice or insufficient premises of the right type and location; and
- there is some evidence that particularly in the more rural parts of the county, potential occupiers will approach landlords directly and are likely only to make enquiries when they know that local property is available. As a result, many 'requirements' may fall under the radar of commercial agents and the relatively fast take-up of some new schemes indicates that there may be significant latent demand for workspace in some locations.

5.5 In April 2008 it was estimated that there was a total of 274,000 m^2 'commercial' office space in Cornwall (i.e. not including non-commercially available public sector offices), as well as 1,341,000 m^2 of factory space and 794,000m^2 of warehousing space[20]. As shown in Figure 5.1, the county's main towns are the location for a large amount of the county's office stock, with lower levels in rural areas. In particular, the Truro/Falmouth area (former district of Carrick) accounts for a very high proportion of the stock. In contrast, warehousing and factory space is distributed more evenly across the county, albeit with particular concentrations in Camborne/Pool/Redruth, Bodmin, Saltash and Launceston.

5.6 In terms of recent development, for the period 1998 to 2008[21] the average net annual change in floorspace for Cornwall as a whole was:

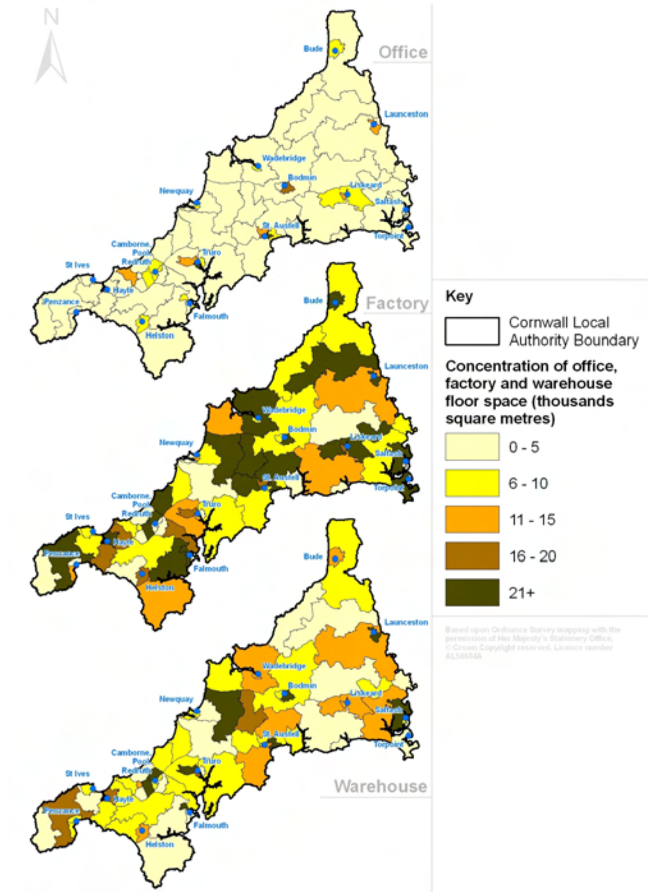
- commercial offices: + 11,200 m^2 p.a.
- factories: + 3,200 m^2 p.a.
- warehouses: + 8,100 m^2 p.a.

5.7 This means that net levels of office (B1a) and industrial (factories and warehousing – use classes B1(c), B2 & B8) development have been very similar in the last decade. However, there are very high levels of variation in changes to different types of B-class space across the county. Figure 5.2 shows that all former districts have experienced a net gain in office stock in recent years, although concentrated mainly in Carrick and Restormel. Most of the former districts gained warehouse stock, although primarily in Restormel and North Cornwall. By contrast, most areas lost factory stock over the 2005-08 period, with losses being particularly high in Restormel and Carrick, although North Cornwall and Caradon actually recorded small net increases.

[20] Source: VOA/Neighbourhood Statistics

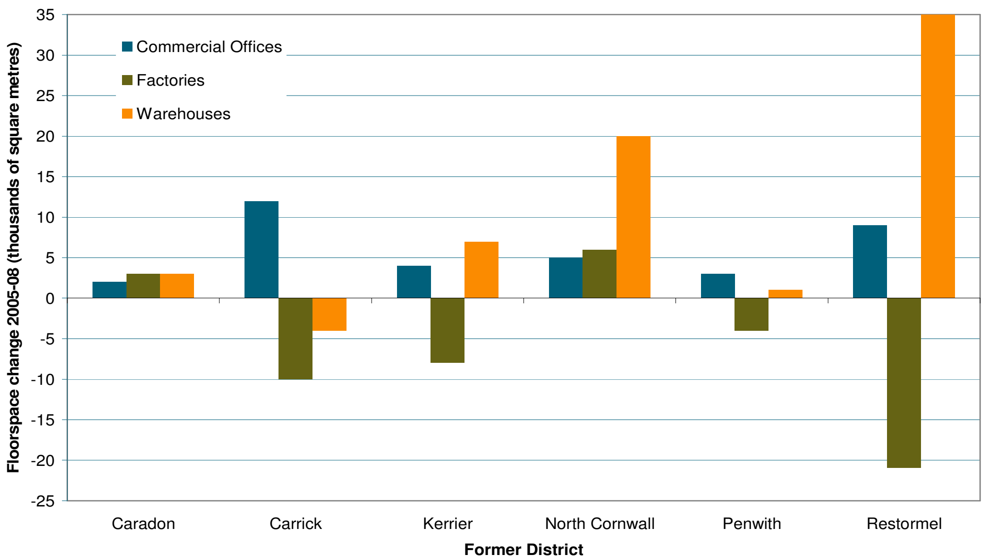
[21] Note that change over the 1998-2008 period is actually calculated by adding together change over the 1998-2004 and 2005-2008 periods as a result of a data discontinuity in 2004/5 due to the new ratings system introduced by the VOA

Figure 5.1 Amount of B-class floorspace by Middle Layer Super Output Area



Source: VOA/NLP analysis

Figure 5.2 Change in Stock of B-class Space



Source: VOA/NLP analysis

5.8 In recent years, a significant proportion of workspace in Cornwall in recent years has been part-funded through public-sector grants, with support of up to 30% being typical. This is due to development costs being equal to or higher than final development value for virtually all types of commercial space across Cornwall, reflecting low rents and property values. The only significant development that has occurred without grant funding in recent years has been Falcon House in Truro which was commissioned at the top of the previous development cycle.

5.9 However, in the current post-recession market, there are unlikely to be any developers willing to deliver space without significant public-sector support. It also highlights the potential consequences for the future delivery of workspace in the context of a more constrained outlook for public sector funding and uncertainty over the continued availability of European funding post-2013. A lack of public funding could lead to very little workspace being developed in the county and thus represents a significant risk to delivery over the plan period.

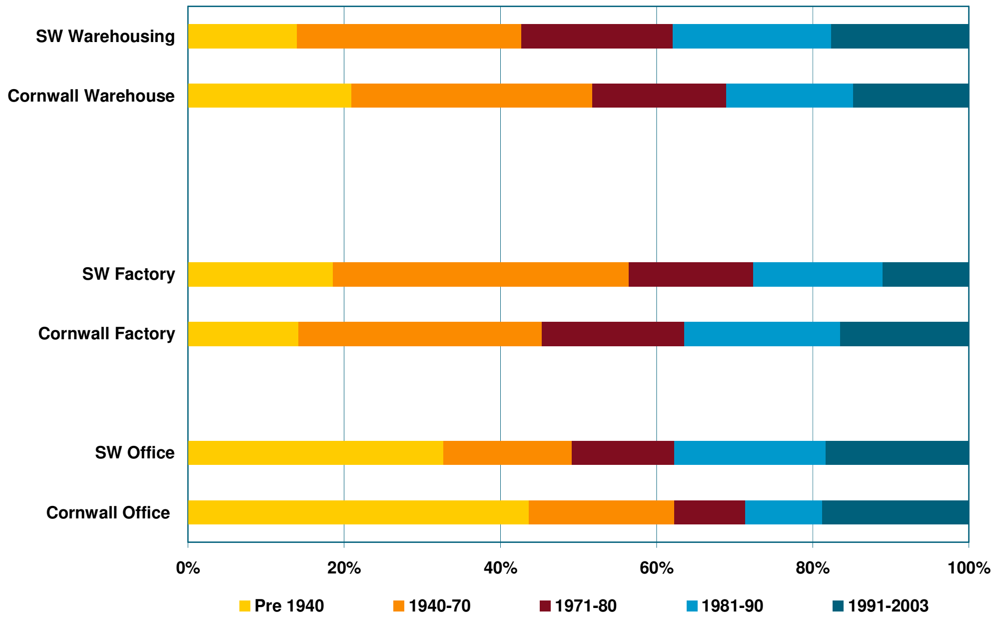
5.10 In any case, developers are now significantly more risk-adverse than they were prior to the recession, in part reflecting the conditions and difficulty of accessing bank funding. Before the recession many schemes were built entirely speculatively, but reflecting tighter lending conditions most developers are now looking for a significant level of pre-lets/sales prior to commencement of development.

5.11 There was generally perceived to be a lack of private sector developers operating in the market, with the largest developers being Priority Sites and Midas developments. Agents reported that some private developers have been deterred from entering the market due to the high level of competition (in terms of quality, specification and lower land prices) arising from schemes and firms with public sector support. This lack of a broad-based commercial development sector means that future supply of workspace could be heavily dependant on the decisions of a few key market players.

5.12 The age of Cornwall's industrial stock is broadly similar to the regional average as shown in Figure 5.3. The county has a slightly higher proportion of older warehousing space than average but the factory stock is more modern, potentially reflecting the more buoyant manufacturing sector in Cornwall. However, the office stock is significantly more dated than average with over 40% of stock being of pre-war vintage.

5.13 In general rental levels vary little between new and older space, as few firms are willing to pay a premium for high-specification, modern space.

Figure 5.3 Age of Premises in Cornwall Compared with the South West Average



Source: ODPM Planning Data / NLP analysis

Inward Investment

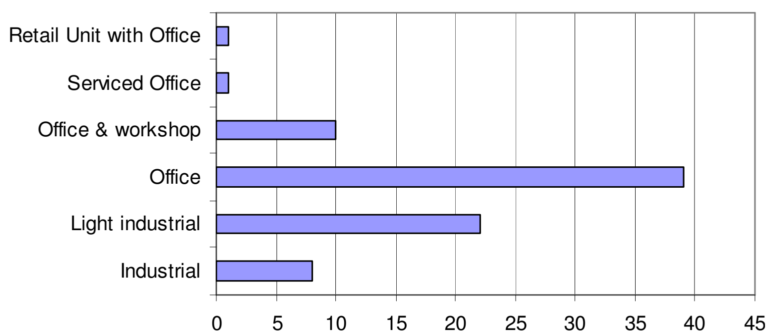
5.14 The latest inward investment data provided by Invest in Cornwall indicates that 127 companies accounting for approximately 760 jobs were relocated in 2008. Notwithstanding the more difficult economic conditions, this represented an increase over the 98 companies (575 jobs) relocated during 2007. It should be noted that this includes both inward investment new to Cornwall and relocation or expansion of existing firms within the County.

5.15 Analysis of CPB property enquiries received during 2008/09 indicates that the vast majority were for office accommodation, followed by industrial and offices with workshop space (Figure 5.4). The requirements are generally very small, being under 100 m^2, although there was also strong interest in premises between 100-150 m^2 and above 1,000 m^2. This is supported by the findings of the previous Cornwall Employment Space Strategic Assessment which found that there was a shortfall of both very small industrial premises (under 200 m^2) as well as very large space (1,000 to 2,000 m^2) which would appeal to inward investors.[22] Good parking and easy access for deliveries were frequently cited as an important requirement, with high speed internet connection required in only a limited number of cases.

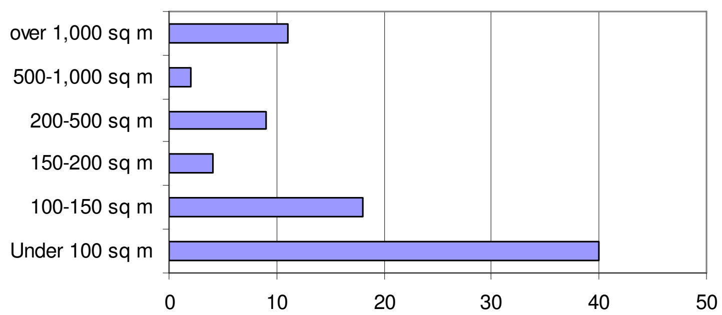
5.16 The majority of enquiries were focused in the former Carrick area; this mainly reflects the high proportion of office requirements, for which interest is largely centred on Truro, and to lesser extent, Falmouth. Caradon (Saltash) and North Cornwall (Launceston, Bodmin) were the main focus of industrial enquiries.

[22] See section 2.4.3 of the Cornwall and the Isles of Scilly Employment Space Strategic Assessment 2007-2017, Amion (2007)

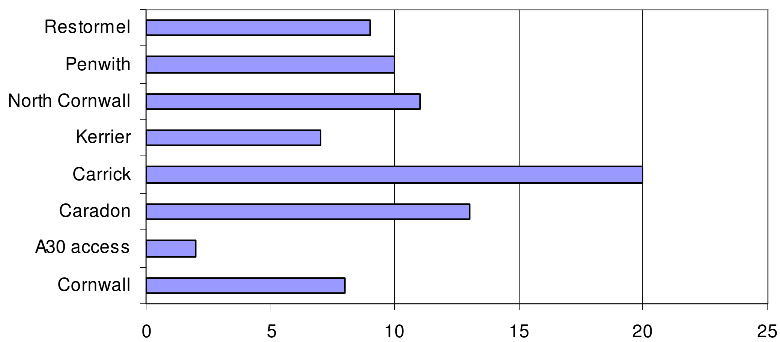
Figure 5.4 Overview of Property Enquiries 2008/09



Enquiry by Type



Enquiry by Size of Property



Enquiry by Location

Source: Invest in Cornwall, March 2009

Market Segments

Offices

5.17 Overall, the county has a relatively small total stock of office space relative to its population, and which is mostly concentrated in Truro. This comprises both town centre converted stock (e.g. Lemon Street), some modern purpose-built town centre and edge-of-centre stock (e.g. Falcon House and Newham) and modern campus-style out-of-centre stock at Threemilestone. Constrained supply, older premises and lack of car parking has tended to force some occupiers away from the city centre to more peripheral sites.

5.18 Elsewhere, most of the county's main towns have a small selection of converted space, for example Maritime Street in Falmouth, which provide for small professional offices. There are also a range of purpose-built modern developments across the County. For example, at Tolvaddon Energy Park, SWRDA have developed a phased office scheme, with one final phase (4 ha) remaining. The former North Cornwall District Council developed new office units on the Walker Lines Industrial Estate. Falmouth Business Park was completed in 2009 by Priority Sites and is a development of speculative high quality offices located on the western periphery of Falmouth close to the A39. The scheme has some vacancy at present (c.25%), but agents were confident that the quality and location of this scheme is likely to secure its future attraction as the market recovers.

5.19 The dynamics of the office market will generally be changed in CPR where there are a number of existing and planned developments, including 4,400 m^2 at Trevenson Park South and 6,500 m^2 at Trevenson Gateway amongst other office proposals in the conurbation. However, agents highlighted the greater level of risk involved in providing significant quantities of office space in less established office-market locations, where levels of market demand may be less certain, although high quality provision on attractive terms may help overcome this.

5.20 It has been suggested in previous studies that shortages of office space had emerged in Truro in the years prior to 2007, particularly of modern, purpose-built accommodation.[23] Agents generally agreed that such a shortage was not currently the case, although they also observed that Cornwall's office market has been the one part of the county's commercial property market to be impacted significantly by the period of national recession, with many firms with regional/national office networks contracting back to Plymouth, Exeter or Bristol. Some have suggested that Falcon House within the city centre which is a high-specification office building extending to 1,850 m^2 and has experienced difficulties in letting space since its completion last year, is indicative of this low demand level. However, others have suggested that there may be a number of specific factors to explain why this development has struggled to let including poor design, limited car parking, difficulties in sub-dividing the space, a neighbouring night club, and unrealistic rent demands. Notwithstanding this, most agents believed that a return to economic growth would eventually result in such space being taken up and shortages re-emerging in Truro in the future.

5.21 Rents for office space across the county are broadly similar at around £8-10/sq ft although Truro commands a premium of around £2-4/sq ft above this level with rents in the £10-14/sq ft range.

5.22 The vast majority of office needs are for small-scale space up to around 100 m^2 in size, with few requirements above this threshold.

[23] For example, Cornwall and the Isles of Scilly Employment Space Strategic Assessment 2007-2017, Amion (2007)

Incubator/managed office units

5.23 Until recently, very limited incubator space has been available in the County. However, an innovation centre has recently opened in Pool, and there are plans for two further centres at Treliske Hospital in Truro and at the Combined Universities Cornwall (CUC) campus in Falmouth. The Treliske scheme is primarily aimed at bio-technology and health-related enterprises. There are also plans for grow-on space as part of the 'Heartlands' development in Pool which will be linked with the business incubator.

5.24 There is a reasonable level of demand for very small-scale managed office units on flexible terms. This demand is not catered for in a number of areas of the county and is exacerbated by the absence of national providers of this type of managed workspace such as Regus and Basepoint. A good example of new facilities meeting this latent demand is Dowren House in Hayle which provides flexible micro office units of between 10 and 25 m^2, and have been well received by the market.

Industrial and Distribution

5.25 Traditionally, Cornwall has been reliant on manufacturing, heavy engineering and mining activities (clay and tin) as the main industrial sectors, particularly around Camborne, Pool and Redruth. More recently, industrial firms have been attracted by the lower cost of labour and the availability of sites in Cornwall. However, the strength of demand is determined to a large extent by proximity to the A30 and A38 trunk routes. As a result, favoured industrial locations include Launceston, Bodmin and CPR.

5.26 Given Cornwall's peripheral location in geographic terms, it is not and is unlikely to become a significant distribution location. However, there is some demand for space from small-scale county-wide distribution operations and from slightly larger sub-regional distributors in the east of the county. The most recent major distribution investment was at St. Colomb Major business park, initially for Borders books but now taken over by St. Austell Brewery.

5.27 Previous studies have identified a general shortage of modern industrial premises since at least the late 1990s. This has started to change with some speculative private development occurring over recent years much of which has been supported by gap funding, tapping into latent demand from firms seeking to expand, consolidate or generally upgrade their premises. There is now an improved supply of industrial property across the county to meet local needs although shortages remain in some locations, and much of the supply is still characterised by functional but dated premises.

5.28 In general the vast majority of demand is for smaller units up to 500 m^2 with more limited demand for units of 500 m^2 – 1,000 m^2. Above this threshold there is relatively limited formally reported demand within Cornwall, although there are occasional bespoke requirements and good demand for recently completed units of around 1,000 m^2 - 1,500 m^2 shows that there could be significant latent demand in this market segment. However, delivery of these larger units is particularly difficult due to the high risks of developing speculatively, and as a result, some larger units returning to the market in recent times have been re-let relatively quickly.

5.29 Rental levels are fairly uniform across the county at around £3-6/sq ft with a small premium existing for good quality space, well located to the A30. There are some suggestions that industrial development has been constrained in the past in locations which do not have good access to the A30 because of concerns over highways capacity. Going forward, this location factor is likely to be increasingly important, particularly if no further highways capacity improvements are forthcoming.

Live/Work

5.30 Home working is an already important and growing part of the Cornish economy. The Annual Population Survey indicates that at the end of 2009 almost one in four Cornish workers were 'home-workers' and that this proportion has doubled since the 2001 Census. The vast majority of these workers do so from their existing residential dwellings but there has been increased interest from developers and occupiers in providing purpose-built live-work accommodation.

5.31 Previous studies have highlighted Cornwall as having significant potential to develop a live/work property market, particularly in locations where there are already high levels entrepreneurial activity, affordability pressures and the current population already has a high propensity to work from home. A study in 2005 ranked North Cornwall as the second most likely rural local authority area in the UK to develop such a market with Penwith in 8th, Carrick in 21st and Kerrier in 32nd which suggests that the greatest potential may be in the north-east and far west of the county.[24]

5.32 There are important economic development reasons to be supportive of purpose-built rural live/work schemes. These include generating jobs in rural areas or towns with little existing business base, enabling business clusters (thus allowing for better knowledge transfer and targeted business support), reducing levels of commuting (and thus reducing carbon emissions) and reducing pressure on land for both residential and commercial development.

5.33 To date, agents have reported that demand for such purpose-built space from potential occupiers has been extremely limited. However, as with many other types of commercial property in the county, this lack of reported demand may be due to the current lack of purpose-built supply and there may well be significant latent demand once some product is brought to the market. In addition, many space requirements are too small to use commercial agents and as a result such demand lie 'under the radar'. Some existing schemes (e.g. Harvey's Foundry, Hayle) have struggled to attract occupiers although this appears to be due more restrictive conditions placed on their occupation rather

[24] ‘Rural Live/Work: Developments that support home-based businesses’, Commission for Rural Communities, 2005

than a necessarily lack of demand. Traditionally, demand has come mostly from existing home-workers looking to 'professionalise' their business, but there may also be potential demand from small companies in conventional office space looking to downsize to a 'hub' arrangement for home-working employees. Such 'work hubs' could potentially form an important component of Cornwall's employment space portfolio, and the Council has commissioned further research to investigate their potential benefits and delivery in the future.

Rural Workspace

5.34 Away from the main centres and employment sites there is a wide variety of smaller workspace in both converted and purpose-built premises.

5.35 Many of the small, rural settlements are served by schemes of small workshop units which are largely a legacy of a development programme undertaken by English Estates (the forerunner of English Partnerships and now the Homes and Communities Agency) in the 1970s and 1980s. Agents noted that they see relatively few inquiries in this market segment and there are a number of schemes with high levels of vacancy and/or underutilisation. However, this may be due more to a lack of active marketing and management rather than a lack of demand.

5.36 As noted above, it is likely that many requirements for small-scale, rural workspace are not pursued formally through a property agent and levels of demand may therefore be significantly higher than reported. In addition, many small, local businesses do not actively search for new workspace, relying instead on their own local knowledge of what is available in the area. This means that there could be significant latent demand for space which does not become apparent until new workspace is constructed.

Gaps in the Property Portfolio

5.37 There were perceived to be few types of workspace which are clearly in demand but not supplied at some level in Cornwall. However, as noted previously, there may be some levels of latent demand in some market segments. More particularly, requirements were identified for a greater supply of small-scale flexible office workspace which is currently under-provided in some local markets. However, perhaps the most significant market gap is for serviced plots which allow business owner-occupiers to design and build their own workspace. At present there is very limited commercial value in such plots and their provision is not economically viable in many locations. Furthermore, where serviced plots have been created it is usually through public sector agencies such as SWRDA who often have specific requirements for the type of workspace and/or economic sectors which can locate on such plots. As a result, the supply of serviced plots is extremely limited in many locations.

Locations

5.38 The variation between parts of the county in terms of rents and vacancy levels is shown in Table 5.1. However, it should be noted that in terms of rents this only provides a broad overview of recent transactions, and actual rents can vary widely according to quality, size and specific location of individual premises, making generalisations difficult.

Table 5.1 Rents and Vacancy for Commercial Property by Former District Area, 2009

Former District	Industrial Rents	Office Rents	Office Vacancy	Industrial Vacancy
Penwith	£3-8/sq ft	£8-9/sq ft	4%	3%
Kerrier	£3-8/sq ft	£10/sq ft	4%	2%
Carrick	£2-5/sq ft	£8-14/sq ft	4%	1%
Restormel	£3-5/sq ft	£10/sq ft	2%	1%
North Cornwall	£3-8/sq ft	£5-6/sq ft	5%	2%
Caradon	£3-4/sq ft	£4-9/sq ft	1%	3%

Source: EGi Property Market Reports and local property market agents

Note: Vacancy only includes completed stock and does not include development opportunities

5.39 This confirms that office vacancy is currently around 4% of total stock which is higher than the comparable figure of 2% for industrial space. These figures are very low in a national context and indicate shortages of available stock in some areas, particularly for industrial space.

5.40 Rental levels for office space range between £4 and £14 per sq ft compared with a range of £2 to £8 per sq ft for industrial space. Rents for offices were highest in Truro whilst west and central Cornwall generally was more expensive than east Cornwall. In comparison, industrial rents show far less marked spatial variation.

Table 5.2 Summary of Market Strength by Location/Sector

TTWA	Industrial	Office	Warehousing
Penzance	● red	● orange	● yellow
Falmouth & Helston	● red	● orange	● yellow
Truro, Redruth & Camborne	● red	● red	● orange
St Austell	● red	● orange	● orange
Wadebridge	● yellow	● yellow	● yellow
Bude	● orange	● yellow	● yellow
Launceston	● red	● yellow	● red
Saltash	● red	● yellow	● orange

Source: NLP Analysis/Survey of agents

5.41 As summarised in Table 5.2, there is good demand for industrial stock across the county, although this is particularly focused close to the A30 and is lower in the more remote parts of the County such as Bude-Stratton. Warehousing demand is generally low although the larger centres close to the A30 such as Launceston and Bodmin have better markets. Demand for office space is higher in the west than in the east due to the larger centres of population there, although Truro has by far the strongest market.

Business Needs

5.42 In late 2009, a postal/electronic survey was undertaken by NLP to gather an understanding of the needs of businesses within Cornwall. A total of 350 businesses throughout the County were invited to comment on their growth aspirations, site/property requirements and constraints to growth.

5.43 Drawing on business information held by the Chamber of Commerce and Business Link, the aim of the survey was to identify key issues and general trends rather than provide a basis for detailed quantitative analysis. Responses were received from 65 firms (19%) which forms a statistically valid sample for the survey as a whole, but not for individual sectors or locations. Appendix 2 provides further details on the methodology and results.

5.44 The main conclusions emerging from an analysis of the survey responses can be summarised as:

a two thirds of firms have adequate premises and site to meet their space requirements;

b the majority of firms have good premises that are adequate to their needs. Factors such as access, parking provision, centrality of location, quality of buildings, attractiveness and locality and proximity to facilities were important in informing responses about the quality of business premises;

c approximately half of businesses expect to expand in space terms in the short term, despite the recessionary conditions in which the survey took place;

d the significant majority of expanding firms want to stay within Cornwall; and

e there is some evidence to suggest that there are barriers to expansion although the majority of respondents considered that there are suitable premises/sites available within the local area and Cornwall more generally. Barriers to expansion include a shortage of skills, availability of suitable premises, cost of premises and planning restrictions and Section 106 requirements.

5.45 The main factors cited by those scoring their existing site or premises as ‘good’ and ‘excellent’ include accessibility, parking provision, central location, refurbishment of buildings/quality of interior, attractiveness of locality, pleasant working environment and proximity to facilities. Reasons for considering an existing premises or site as ‘poor’ or ‘below average’ included poor access to A30 and A38, poor quality finishes and servicing, and age and condition of buildings. Poor access and building condition are also the main issues raised for those who rated their sites/premises as ‘average’. Other factors which affected the perceived quality of buildings included a lack of parking provision, proximity to residential development and outdated facilities such as IT connections and disabled access.

Employment Space in Adjoining Areas

5.46 It is also important to understand the extent and types of available employment land in neighbouring areas which could have an impact on Cornwall’s employment portfolio, particularly the eastern part of the County. A brief review has been undertaken of the current employment land position in each of the adjoining areas, which is set out below.

Plymouth

5.47 Plymouth is the second largest city within the South West region[25], and the draft South West RSS had identified its potential to be the ‘economic hub of the far south west’.

5.48 The City’s Growth Strategy and Local Economic Strategy identifies six priority growth sectors: business services, creative industries, tourism and leisure, medical and healthcare, marine industries and advanced engineering. The adopted Core Strategy highlights the City’s role as being the centre for healthcare, cultural and leisure facilities, business, financial and retail services,

25 As defined by the South West Government Office Region

media activities, and rail and sea transport for the sub-region. Plymouth's Travel to Work Area extends westwards into Cornwall towards Liskeard, and between 2006 and 2026 the Core Strategy aims to create 37,500 jobs in the Plymouth Travel to Work Area, including 27,500 in the Plymouth PUA.

5.49 The 2007/2008 Annual Monitoring Report (AMR) states that 6.85 ha of employment land was developed in that year, the highest level since 2004/2005, whilst the number of employees increased by 5,800. It also highlights the level of potential development land that exists: 13.5 ha of land under construction and 63.9 ha of land with planning permission. However, it states that the Plymouth office market has been weak, with the target for the delivery of 13,000 sq m office space annually not achieved.

5.50 Over 100 ha of land is allocated for employment development in three Area Action Plans (North Plymstock, Millbay and Stone House, Devonport). Within these areas, 78,600 sq m of floorspace is allocated for office and light industrial uses. Millbay is the largest of these, with proposals for 40,000 sq m office space with a further 1.4ha for marine and general employment uses. The Sutton Harbour AAP offers the opportunity to promote major mixed use regeneration with almost 100,000 sq m allocated for B1 office uses.

West Devon

5.51 West Devon is the largest district in Devon, but is sparsely populated. It contains several market towns, of which Okehampton and Tavistock are the largest employment centres. The Employment Land Review (2006) projects a requirement for 65 ha of employment land to 2026. At the time of the study, the District had 52 ha of existing employment land and an additional 19.9 ha of proposed sites. The Annual Monitoring Report 2007/2008 states that there is a total of 19.88 ha of land with planning permission, comprising 0.91 ha under construction and 7.89 ha of other land.

5.52 There has been no development in Tavistock in the last three years and the majority of new commercial development is expected to come from the expansion of businesses on existing sites in the short term. There is potential for the town to develop supply chain links for business in Plymouth although a lot of people currently commute daily between Tavistock and Plymouth. The only remaining allocated employment site appears unlikely to come forward.

5.53 Okehampton benefits from its location on the A30 and competes with Launceston to a certain extent but is only suitable for development on its eastern side. There are short term plans to develop a serviced 10 ha site in the town provided that the infrastructure can be delivered. Longer term plans include smaller mixed use sites emerging through the Local Development Framework.

Torridge

5.54 Torridge is a predominantly rural District on the north coast of Devon, with an economy upon agricultural and service sector employment. The main centres are Bideford, Torrington and Holsworthy. The area suffers from low earnings but benefits from low unemployment rates. Demand for employment sites across the District is low but concentrated around Bideford. Forecasts within the Employment Land Review (2006) suggest a requirement for 35 ha employment land to 2026. The ELR found that the District has 38 ha of employment land in the pipeline and therefore, a quantitative surplus of land, although the quality of potential supply in suitability terms may not meet future economic needs.

5.55 The Annual Monitoring Report 2007/2008 states that there is a total of 19.2 ha of land available in designated General Employment Areas, including 9.25 ha in Bideford and 6.04 ha in Great Torrington. In addition, there is 16.25 ha of land on other sites.

5.56 The 2006 ELR states that the challenges for West Devon include the need to increase the supply of serviced land which meets the expectations of prospective inward investors (something that was echoed in the 2008 Rural Areas ELR), improve the quality of existing and proposed sites, and ensuring regeneration takes place within towns and urban areas to provide B1a space.

Conclusions

5.57 Demand for employment space in Cornwall tends to be low and requirements are very small-scale in nature. Most office stock is found in Truro although industrial is more evenly spread around the County, albeit that the A30 is a major driver of demand. Although the stock of floorspace has increased in recent years, the amount of privately-funded speculative development has been extremely small and almost exclusively confined to the office market in Truro.

5.58 Vacancy levels are low for both office and industrial space due to the historical lack of delivery of workspace. In particular, requirements were identified for a greater supply of small-scale flexible office workspace which is currently under-provided in some local markets. However, perhaps the most significant market gap is for serviced plots which allow business owner-occupiers to design and build their own workspace.

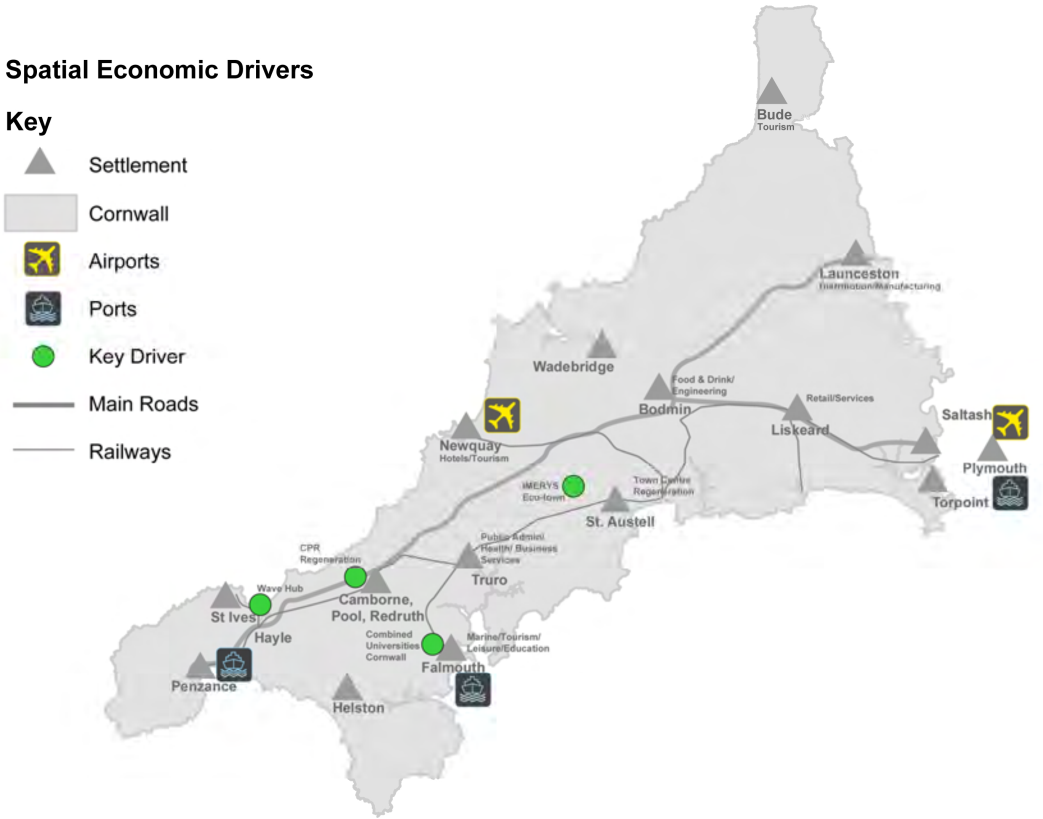
5.59 There is a significant amount of rural workspace provision both in terms of purpose-built workshop units as well as office and industrial conversion space. Although formal demand for such space is reported to be low, there are likely to be significant levels of latent demand for new workspace. This may also apply to live/work units, albeit that these are a relatively new format in Cornwall and demand in untested.

5.60 Plymouth is the only adjoining area which is likely to have any significant impact on the County's commercial property market, with the other adjoining districts lacking significant centres of population and employment sites. The 100+ ha of land which is allocated for employment development in Plymouth could potentially divert some demand from parts of east Cornwall such as Saltash. However, access to the large Plymouth economy is a key reason behind demand for commercial space in some parts of south east Cornwall, particularly Saltash.

6.0 Future Economic Drivers

6.1 This section reviews a number of specific developments and other initiatives that may a have significant bearing on Cornwall's growth potential and the types of sectors that the County attracts in future. These are illustrated in Figure 6.1.

Figure 6.1 Future Economic Drivers



Source: NLP analysis

6.2 It is worth noting that European Convergence Funding is a key supporting factor behind a number of the drivers identified in this sector.

Growth of Newquay Cornwall Airport

6.3 Newquay Cornwall Airport is widely recognised as an important economic driver for Cornwall and the region, with the connectivity benefits it provides helping to reduce journey times from key markets. It also has a more qualitative role in its potential to alter the perceptions of Cornwall as a place where investors, funders or occupiers can do business or locate their business.

6.4 Cornwall Council, the owner of Newquay Cornwall Airport, is working with Cornwall Airport Ltd (the airport operator) to develop one of the greenest airports in the UK and set new environmental standards for airport related development. It is expected that a successful local airport will create new jobs and generate economic growth in the local and regional economy. The Airport has a number of unique characteristics in terms of long runway length (in excess of 2,700 metres) which can accommodate a range of aircraft, constraint free airspace, high airfield capacity and access to marine environment (sea and cliffs) for SAR (Search and Rescue) training. Perhaps most significantly it also has surrounding land which totals some 325 ha including large areas of land with airside access.

6.5 The Newquay Cornwall Airport Masterplan 2008-2030 was published in 2009 to establish a framework for the long-term growth and expansion of the Airport, and the development of adjoining land following release by the Ministry of Defence. The Masterplan is currently being reviewed, and while the main development zones outlined below are broadly expected to remain, detailed points of emphasis, timing and priorities may be subject to change:

- refurbishment of existing hangers and reuse of undeveloped land with airside access with potential to accommodate aircraft maintenance, repair and overhaul (MRO) operations, airfreight and aircraft recycling activities, aerospace raining including SAR, aircraft parting, major aerospace and defence projects (particularly overseas) and aircraft paint facilities (Waterfront and Treloy zones);
- Airport Business Park (32 ha) - proposal for up to 92,900 m^2 of business space to accommodate aerospace companies (not requiring direct airside access), other aviation spin-off activity, and other companies with proven close links or requiring a location close to the airport and the connectivity it provides and ancillary business infrastructure;
- South Side Development Area to include:
  - i an ancillary business development area and potentially a hotel/conference centre; and
  - ii a larger passenger terminal as a longer-term option as and when the capacity, age and maintenance of the existing expanded terminal requires, and subject to the availability of funding.

6.6 It is intended that the remaining period of Convergence funding to 2013 will focus on levering in airside activities to generate the most immediate returns. Bringing existing hangars back into productive use and maximising the potential of airside land is therefore the initial focus, with strong interest reported in maintenance, repair and overhaul (MRO) operations and aircraft engineering, but further investigation is required. These activities will however need to be supported by training initiatives to develop and refresh skills in the local workforce, which the proposed industry-led aviation academy can support.

6.7 The Airport Business Park is identified as a longer-term opportunity with the potential to attract high-value, knowledge-based companies. The Council considers the business park to be capable of capturing the type of strategic economic development and inward investment for which there is no obvious equivalent in Cornwall, rather than as an alternative to meeting local needs in individual settlements. A new Southern Access Road is currently being constructed that will give access to the southern Aerospace Development Zone but further servicing and access roads will be required to facilitate the development of the Southern Development Area, including the Airport Business Park.

Implications for Employment Space

New development associated with expansion of Newquay Cornwall Airport represents one of Cornwall's major economic drivers, and is recognised at all levels as a focus for growth.

The Airport offers notable advantages to accommodate airport-related activities, although it seems that investigation is required of the exact nature and type of occupier interest if this is to be an 'early win' development opportunity. Newquay will have to compete with other UK regional airports and in some cases European airports to attract these activities, and will require availability of appropriately skilled/trained workforce. However, it represents an entirely unique opportunity in a Cornwall context, and could attract high value sectors to the County and an opportunity to diversify the economy.

If developed as proposed, the Airport Business Park would represent one of the largest concentrations of employment space in Cornwall. While the original Masterplan is now under review, greater clarity is required about the type of employment space 'product' to be developed there, whether there is sufficient demand from the size and type of occupiers that are being targeted, and the time horizon over which this could feasibly be delivered. The extent to which this could generate spin-off effects and increase demand for employment space in other locations is not entirely clear at present. In itself, the business park is not a substitute for meeting smaller-scale local needs in the Newquay area. Some concerns have been raised about the extent to which a development of this type could divert investment away from other potentially more sustainable locations in Cornwall, particularly those undergoing regeneration, such as CPR and St. Austell. While a degree of competition is inevitable in a functioning market, the risk that the Airport simply constitutes a zero-sum game could be controlled by some level of restriction on the types of occupiers permitted, as has been applied at other UK regional airports.

Combined Universities in Cornwall

6.8 Combined Universities in Cornwall (CUC) is a partnership of universities and colleges offering university-level education in Cornwall. These are: the University of Exeter; the University of Plymouth; University College Falmouth; the Peninsula School of Medicine and Dentistry; Cornwall College; and Truro and Penwith College.

6.9 CUC was the flagship project of the Objective One Programme for Cornwall and the Isles of Scilly 2000 - 2006 and has attracted major investment through the Convergence programme, totalling some £150m with further funds committed. CUC was created to raise the GVA of Cornwall and to encourage innovative businesses and research & development activity. It is also seen as having potential to help address the out-migration of young people from the County because it was not possible for them to study within Cornwall.

6.10 The main Tremough campus is located in Penryn and has seen significant expansion in the past three years. In addition to increasing the size of the student economy and providing a greater number of graduates for the local workforce, a Business Innovation Centre is due for completion on the campus which will provide workspace for around 64 businesses including small start-ups and larger established companies. The project will provide a range of opportunities for the University including increased work experience for students, links to research work, and support for staff and graduates wishing to start new business ventures. Furthermore, there are plans for the ongoing expansion of CUC including an Environment and Sustainability Institute being developed by the University of Exeter (a new building is due to be completed in 2012/2013 and is expected to generate at least 800 new jobs) and an Academy for Research and Innovation as part of University College Falmouth. These are likely to further encourage the development and growth of low carbon and environmental industries.

Implications for Employment Space

CUC is central to ambitions to drive up skill levels and graduate retention in the Cornish workforce, as well as increasing the number of indigenous businesses started and grown in the county. The Business Innovation Centre is crucial to this second aspiration and there will be a need to provide a ‘ladder’ of high quality workspace in order to retain them in the local area as they grow and develop. The development of ‘grow-on’ space should therefore be given a high priority. Quantitative requirements are unlikely to be large initially, but the quality of premises and softer business support mechanisms will be key to the success of CUC in achieving its goals.

Camborne, Pool and Redruth Regeneration

6.11 CPR Regeneration is an Urban Regeneration Company (URC) set up in November 2002 to help support regeneration of Camborne, Pool and Redruth (CPR), which have suffered from persistent problems of economic and social deprivation in recent years. The URC is involved in a wide range of regeneration projects across the CPR urban area with the intention to ensure that the area is regenerated in a sustainable way with a range of new homes and employment opportunities alongside community and leisure facilities in an improved environment.

6.12 A selection of key projects with a bearing on the B-class economy include:

i Extension of Treleigh Industrial Estate and the development of the Barncoose link road (in order to improve access to industrial areas);

ii Trevenson Gateway and Trevenson Park North (new homes, offices and an hotel in Pool);

iii Trevenson Park South: office, live/work and housing development;

iv Heartlands (a major new park and the development of workspace, community space, homes, a World Heritage Site Gateway Centre, performance space, restaurant and Community Centre around one of the area's best preserved historic mining sites at Robinsons Shaft);

v Pool Innovation Centre (3,500 m^2 of high quality modern office accommodation aimed at high value, innovative, ambitious businesses in the heart of Pool); and

vi A Creative Industries Cluster in Redruth (offices for strategic countywide arts organisations and managed workspaces for Creative Industry practitioners).

Implications for Employment Space

The combined effects of these projects have clear potential to deliver a step-change' in the economic performance of CPR. However, this is clearly a long-term process, and evidence from elsewhere in the country shows that turning around the performance of areas with such entrenched issues is likely to be slow. In particular, the development of CPR into an office location is likely to require improvements in local skill levels, environmental quality and service provision in addition to the completion of high-quality workspace. Furthermore, significant remediation needs and consequently long lead-in times continue to be a major issue in delivering regeneration in the area. However, there is clear potential to grow the area's industrial base by building on CPR's existing strengths - a large workforce, low land costs where remediation is not required and excellent transport access.

Clay Country Eco-town Proposals, St. Austell

6.13 The 'Clay Country' eco-town project is one of only four such schemes nationally. In contrast to other proposals it is focused on six former industrial Clay Country mining sites owned by Imerys at West Carclaze and Baal, Par Docks, Goonbarrow, Blackpool and Nanpean and Drinnick, all close to St Austell.

6.14 The Clay Country Eco-town Programme of Development - Supplementary Submission (Nov 2009) indicates provision of 29,000 m^2 of B1 and 34,720 m^2 of B2 space in total across the six sites, with about 5 ha set aside for employment within West Carclaze Phase 1. Across all phases, up to 25 ha of employment land could be provided as part of the eco-town, however this will need to be set against any existing areas of employment land that may be subject to redevelopment as part of the eco-town development and is likely to be delivered over a very long time period, extending beyond the end of the Core Strategy in 2026.

6.15 The exact type of employment premises to be delivered as part of the eco-town proposals have not yet been set out in detail. Up to 5,000 jobs are anticipated in a range of key employment sectors including:

1. environmental technologies such as renewable energy (such as geothermal), sustainable construction and building materials from clay waste;
2. sustainable tourism utilising the extensive restored green space and unique Cornish landscape; and
3. sustainable construction and development.

Implications for Employment Space

The eco-town has the clear potential to deliver a significant amount of high-quality modern workspace in this area of the county, as well as developing new economic sectors, increasing the size of the area's workforce and providing new markets for Cornwall's businesses. Again, this is likely to be a long-term process and the precise impacts and implications will only become clearer when the end product is more tightly defined. Lying away from the main A30 transport corridor, and therefore the main areas of industrial demand, the eco-town will have to attract economic sectors different to those which are currently present in the county but some of which are being actively promoted in Cornwall Council's Economic White Paper.

Falmouth Docks

6.16 The Port of Falmouth Development Initiative have commissioned a Port of Falmouth Masterplan and Economic Assessment which is due to be completed in late 2010. This will formulate and assess a range of options for the future development of the docks, taking into account the potentially large impact that the docks have on the economic prosperity of Falmouth and Cornwall more generally. Investments understood to be under consideration range from wharf improvements, channel dredging, marinas, ship repair, superyachts, the marine renewables sector and port related business units.

Implications for Employment Space

The redevelopment of Falmouth Docks will potentially have significant impacts on the local economy. These could include the direct impacts of increased boat building/repair activities as well as enlarged supply-chains which could increase demand for workspace in the wider area. Depending on the final scheme decided upon, there could also be a significant stimulus to the local visitor economy in terms of visitor numbers and spending, although the impact on demand for employment space arising from additional tourism activity is likely to be far more limited.

Wave Hub

6.17 Wave Hub is a major marine renewable energy infrastructure project that will create an electrical 'socket' on the seabed off the coast of Hayle. Groups of wave energy devices will be connected to Wave Hub and their power production potential will be tested here before going into full commercial production. The project will be completed in 2010 with the first wave energy devices expected to be deployed in 2011.

6.18 In order to complement this, a project to create the infrastructure to release land suitable for a new marine energy business park in Hayle is planned using central government, RDA, Council and European funding, and could eventually support 190 jobs. This would attract industries related to the wave Hub to the area and acting as a focus for a cluster of businesses based around marine energy. This could include activity such as marine renewables operations planning, maintenance and inspections, marine and environmental research, sub-sea and diver operations support and an education centre. However, the timing for delivery will to some extent determine the relative roles of the Hayle area and Falmouth Docks in supporting the wave energy sector.

6.19 Its more important contribution in the longer term could be to help Cornwall develop new competitive advantages in this growth sector.

Implications for Employment Space

The Wave Hub project and associated business park clearly represents an extremely important step in Cornwall developing an emerging growth sector and moving towards market leadership in marine energy. There could be some clear spin-off demand for premises arising from the new business park although the initial plans suggest that this will be modest in scale.

6.20

Convergence Programme and Strategic Investment Frameworks

6.21 As noted in Section 3, European Convergence Funding is structured around five priorities for potential intervention, and the Strategic Investment Frameworks

(SIFs) set the frameworks for investment within Priority 4 *'unlocking the economic potential of place'*. The Convergence Programme outlines that:

SIFs 'will include a robust baseline of current conditions; a review of current land uses; an assessment of transport related matters; a clear aim and set of objectives; investment proposal covering infrastructure, business development and skills and learning, setting out long term plans for sustainable economic growth; milestones, risk assessment and implementation arrangements. These will be reviewed and updated periodically.'

6.22 The provision of suitable employment space can play a key role in raising business productivity and achieving sustainable economic growth. It can enable indigenous businesses to compete effectively and expand, attract inward investors and encourage entrepreneurs to set-up and grow their businesses. Furthermore, the creation of employment space can help to diversify and strengthen the economic base by facilitating the growth of key sectors and also help to address issues such as sustainability.

6.23 As part of the Convergence Programme there will be investment in a number of significant settlements that provide an economic focus, and these settlements are required to produce a Strategic Investment Framework (SIFs) as a framework and justification for potential Convergence investments to address specific cases of market failure within Cornwall. Seven SIFs are currently being progressed, and an overview of the key projects and outcomes as they relate to employment space is provided in Table 6.1. Details of the Falmouth/Truro SIF and Cornwall-wide Priority 2 SIF were not available at the time of drafting.

Table 6.1 Overview of Key SIF Workspace Projects

SIF	Key projects
Bodmin	• Town centre workspace • New workspace/infrastructure at Walker Lines • North West Bodmin masterplan and workspace • Callywith Gate workspace • CUC presence/business hubs
Camborne, Pool & Redruth	• Pool Innovation Centre • Creative Industries Hub • Trevenson Road Offices • Heartlands Commercial Space • Tolvaddon Phase 3 • CPR Workspace Programme
St Austell, St Blazey and the Clay Area	• Beacon Kilns Site, Carpalla Road • Brunel Quays, Lostwithiel • Burton House & Trinity Street • Corner Drinnick Business Units, Nanpean • Greenacres Farm & Penhale Farm, Victoria • Land adjacent to Altec, Victoria • Land adjacent to Middleway, St. Blazey • Land at Moorland Road, Indian Queens • Land at Mount Stamper Road, Carclaze • Land at Roche Road, Bugle • Pentewan Road Mixed Business Space, St. Austell • Pondhu Mixed Business Space, St. Austell • Rock Hill Business Park, Bugle • Roundhouse, St. Blazey

SIF	Key projects
	• Trevarthian Road Office Development, St. Austell • Conversions or improvements to Commercial Office Space in St. Austell town centre • West Carclaze Technology Park, Penwithick
Newquay and St Columb Major	• Development opposite/next to Hendra Holiday Park • Land South of St Columb Major Business Park • Land at Trevemper • Land at Trevithick Manor • Land at Quintrell Downs • Mount Wise • Newquay Train Station • Quintrell Road • Tregunnel Hill Car Park • Treloggan Road
Penzance & Isles of Scilly	• Penzance Harbour, Dock Area and Car Park • St Johns Hall, Alverton Street • Newlyn Harbour Industrial Units • Extension to Trereife Business Park, Newlyn • A number of potential greenfield mixed use urban extensions to Penzance • New workspace at Long Rock • Redevelopment and extension of Rospeath Industrial Estate

6.24 A mid-term evaluation of the SIFs is currently being undertaken, the outputs of which will be used to inform the future scope and priorities of the programme. This means that the individual projects listed in Table 6.1 above may be subject to change.

Smaller Settlements and the Rural Economy

6.25 There is increasing interest within Cornwall about the role and economic potential of the County's smaller settlements - defined in recent national research as those with a population of less than 1,500 people[26] - which collectively accommodate 30% of the population.[27] It links to increasing awareness at national level of the need to promote sustainable economic growth in rural areas. The Matthew Taylor Review highlighted that rural areas are characterised by higher proportions of small and micro-businesses and home-based working, and identified concerns about the precedence given to prioritising development in larger settlements as a barrier to rural development. Drawing on the recommendations of the Taylor Review, *Planning Policy Statement 4: Planning for Sustainable Economic Growth* takes a more proactive to encouraging rural economic development.

6.26 The recent Smaller Settlements Study[28] commissioned by Cornwall Council indicates that the scale of economic activity in smaller settlements is, perhaps not surprisingly, modest in terms of conventional measures of economic output such as Gross Value Added. The study therefore recommends that the focus of investment to achieve future economic growth should be on the larger towns

[26] A typology of smaller rural towns of England, John Shephers, Rural Evidence Research Centre, July 2009
[27] Planning for the Role and Future of Smaller Settlements in Cornwall, c4g/Roger Tym & Partners/Rural, 2009
[28] *ibid*

and strategic employment sites. However, whilst smaller settlements and their immediate rural hinterlands are unlikely to be a major driver of the County's future growth, they represent an important component of Cornwall's local economy. Accommodating this type of economic growth is not only important in terms of meeting local business needs and supporting entrepreneurship, but it also supports a wider sustainability objective of providing more accessible employment opportunities that can help reduce commuting to Cornwall's larger settlements.

6.27 The Smaller Settlements Study highlights a number of routes to improvement, including:

- i improved and higher speed broadband services;
- ii adding value to existing local sectors, for example enabling growth, improved access to labour and raising skills;
- iii supporting investment and collaborative marketing; and
- iv adding to business stock and encouraging start-ups.

Implications for Employment Space

The economic role of the County's smaller settlements will remain modest, but they should not be overlooked in terms of helping diversify and add value to the Cornwall economy, and promoting more sustainable (less commuting) and flexible patterns of working in order to enhance labour market participation. In workspace terms, this means provision of dedicated live/work properties and rural business 'hubs' in which small and/or home-based businesses can flexibly use shared office/workspace

Next Generation Access

6.28 Although not spatially differentiated across the county, the improvement of broadband speeds and bandwidth as part of the 'Next Generation Access' scheme is a potentially powerful tool in reducing Cornwall's economic peripherality in the long term. In addition, whilst the rest of country is expected to eventually benefit from such accessibility, Cornwall is one of the first parts of Europe to benefit from the upgrade and is therefore likely to have a significant competitive advantage over other regions for a period of time.

6.29 Access to superfast broadband is seen as being very important in order to attract and retain higher value businesses. It has been estimated that around 10,000 businesses would use the new infrastructure and a further 6,000 businesses benefit from improved performance. It could also create 4,000 new jobs and safeguard a further 2,000 existing jobs.

Implications for Employment Space

Next Generation Access could potentially have a significant beneficial impact of the performance of Cornish businesses, enhancing the attractiveness of the County as a business location, particularly for higher-value knowledge-based firms. This is likely to increase demand for high quality workspace, particularly offices across the county, although the effect would not be spatially concentrated.

Other Developments

6.30 A number of smaller-scale developments across Cornwall have been identified by Cornwall Council as having local economic significance. Individually these are not expected to generate significant additional demand for employment space, but are noted below:

- **Goonhilly Earth Station:** located on Goonhilly Downs near Helston on the Lizard peninsula. This BT owned facility was once the world's largest satellite earth station with over 60 dishes spread across approximately 64 hectares and includes a significant amount of high quality office, control/data facilities, workspace/workshops and extensive infrastructure. Until recently the complex also included 'Future World' visitor centre which attracted around 80,000 visitors a year. Due to technological advances the main 32m dishes ceased carrying satellite traffic in 2008 and a large amount of the existing facilities are currently vacant. BT announced the temporary closure of the visitors centre prior to the 2010 season. Certain operational activities continue onsite including subsea cable operations. BT submitted a planning application in December 2009 to develop a wind farm as part of their 'wind for change' initiative. It is understood that discussions are ongoing with BT regarding the future of the assets at Goonhilly and exploring alternative options that could maximise economic benefits and employment opportunities at this important site;
- **Helston Cattle Market**: the South Kerrier Alliance (SKA), which already runs the monthly farmers' market in Helston at this site, hope to take over and develop the site by constructing a new building with "micro" business units on the first floor, with a market hall, conference facilities for the community and facilities for adult social care on the ground floor; and
- **Polean, Looe**: this site is partially owned by the West Looe town trust and Cornwall Council. A planned redevelopment scheme includes an anaerobic digester combined with a power plant and a variety of other uses including office and industrial. An initial feasibility study has been completed but further work is required on access, flood risk and environmental impact, as well as detailed design and planning procedures.

Conclusions

6.31 There are a number of major developments and initiatives, both planned and underway, that will impact on Cornwall's future economic potential. These include growth of Newquay Cornwall Airport, the regeneration of Camborne, Pool and Redruth, Combined Universities Cornwall, the Clay Country Eco-town proposals, the Convergence programme of Strategic Investment Frameworks, as well as a series of smaller scale more local projects.

6.32 In terms of employment space, the CPR Regeneration, Newquay Cornwall Airport and Eco-town proposals are likely to have the largest impacts both in terms of increasing the supply of workspace and in providing general economic stimuli which could raise demand for industrial and office premises. The additional population envisaged for the county as a result of the eco-town proposals in particular, but also more general housing development envisaged by the emerging Core Strategy, means that there should be a much greater supply of labour. However, at this stage the precise details of the employment premises components of the eco-town and airport proposals in particular are unclear and their impacts are therefore hard to estimate. Nonetheless, the combined effect of these schemes in addition to the other projects detailed above suggest that a higher rate of job growth is likely to be possible than that suggested by job forecasts based purely on current economic trends.

7.0 Assessment of Employment Sites

7.1 This section assesses the characteristics and quality of existing and allocated employment sites in Cornwall and their suitability to meet future employment development needs.

7.2 This assessment was undertaken by Cornwall Council officers in mid-2009 using criteria based on the ODPM guidance[29]. A total of 269 developed, allocated and potential employment sites were identified and assessed. The broad locations of these sites are shown on Plan 7.1, and details of the Council's assessment for each site are included at Appendix 3. From this assessment it has been estimated that the amount of developed employment land was around 778 ha, with a further 214 ha of undeveloped land.

NLP assessment sample

7.3 The outputs of these assessments have been analysed by NLP to provide an overview of the current existing and allocated employment sites. NLP inspected a sample of employment sites (incorporating a range of types and locations) to benchmark the findings of the Council's assessment exercise, but have not verified assessment findings for each individual site. These sites are shown in Table 7.1.

Table 7.1 Sample of Sites visited by NLP

Site	TTWA	Type
Falmouth Business Park	Falmouth & Helston	Office Site
Tregony Rural Workshops	Truro, Redruth & Camborne	Rural Workspace
Newham Industrial Estate, Truro	Truro, Redruth & Camborne	Mixed Business Area
Callywith Gate, Bodmin	St Austell	Mixed Business Area
Bodmin Business Park	St Austell	Mixed Business Area
Pennygillham, Launceston	Launceston	Industrial Estate
St Breward Rural Workshops	St Austell	Rural Workspace
Guildford Road, Hayle	Penzance	Industrial Estate
Long Rock, Penzance	Penzance	Industrial Estate
Penbeagle, St Ives	Penzance	Industrial Estate
Harvey's Foundry, Hayle	Penzance	Office Site
R/O Restormel Offices, St Austell	St Austell	Undeveloped Allocation
Threemilestone, Truro	Truro, Redruth & Camborne	Mixed Business Area
Holmbush, St Austell	St Austell	Mixed Business Area
Moorlands Business Park/Industrial Estate, Indian Queens	St Austell	Mixed Business Area
Walker Lines, Bodmin	St Austell	Industrial Estate
Helston Business Park	Falmouth & Helston	Undeveloped Allocation
Saltash Parkway	Saltash & Torpoint	Industrial Estate
Barncoose, Camborne	Truro, Redruth &	Industrial Estate

[29] '*Employment Land Reviews – Guidance Note*': ODPM, December 2004

	Camborne	
St Austell Enterprise Park, Carclaze	St Austell	Office Site
Tolvaddon Energy Park	Truro, Redruth & Camborne	Office Site

7.4 Some general observations arising from the NLP visits to this sample of employment sites include:

1. many sites are general employment locations with a mixture of office/industrial occupiers and no noticeable sectoral concentrations - in some instances this appears to be reducing the attractiveness of both types of premises;
2. the majority of employment land was developed in the 60s, 70s and 80s with much of the older stock is in a relatively poor condition, although it appears to be well occupied with little available supply;
3. most modern supply has been delivered as a result of Convergence gap funding and/or objective one finance;
4. much of the undeveloped, serviced land supply is controlled by the South West RDA or other public sector bodies. There are a number of examples of sites where infrastructure has been installed but no development has occurred (e.g. Helston Business Park, plots at Treleigh Industrial Estate);
5. high levels of vacancy and/or underutilisation for some rural workspace sites indicates that there may be problems with their management/marketing or an underlying lack of demand; and
6. a significant proportion of the county's office stock lies outside those sites assessed, particularly in converted premises within town centres.

Assessment of Developed Sites

7.5 The total supply of developed employment land by Travel-to-Work Area, as assessed by Cornwall Council's site assessment process is shown in Table 7.2 below.

Table 7.2 Distribution of Total Assessed Employment Land by TTWA

TTWA	Area	% Of Total Supply	Number of Sites
Bude	14.8	2%	7
Falmouth & Helston	67.2	9%	23
Launceston	51.6	7%	5
Penzance	60.0	8%	37
Saltash & Torpoint	62.9	8%	20
St Austell	264.7	34%	83
Truro	221.7	28%	62
Wadebridge	35.5	4%	9
Total	**778.4**	**100%**	**246**

Source: Cornwall Council Site Survey/NLP Analysis

7.6 In total, approximately 778 ha of developed employment land was assessed, with undeveloped/potential sites considered separately below. Each of the existing sites was scored by the Council against a number of criteria derived from the ODPM ELR Guidance, in order to arrive at a finalised site score. It should be noted that NLP visited a small sample of the sites to provide high-level advice on benchmarking scoring between sites, but have not verified the scores for all sites on an individual basis which remain the responsibility of the Council.

Cornwall Council Approach to Site Assessment

For each existing site a score of between 1 and 5 for twelve separate criteria was assigned, with 5 being very good and 1 being very poor. This meant that a site's maximum score was 60 and minimum score was 12. The criteria assessed were:

- The age of buildings;
- The quality of premises;
- Noise and other pollutants;
- State of external areas and public realm;
- Parking, internal circulation and servicing;
- Ease of access to the site;
- Access by public transport;
- The compatibility of adjoining uses;
- Wider environmental quality;
- Local facilities for the workforce;
- Ease of access to the main road network; and
- Proximity to rail, sea or air freight.

A similar process was carried out for allocated/undeveloped sites, although the twelve criteria were adapted to reflect their status and the required focus on their ability to deliver well-located employment premises. These criteria were:

- Site access;
- Topography, size and shape;
- Environmental constraints;
- Contamination, land instability or existing development constraints;
- Amenity of adjacent occupiers;
- Access by public transport;
- Compatibility of adjoining uses;
- Wider environmental quality;
- Local facilities for the workforce;
- Ease of access to the main road network;
- Proximity to rail, sea or air freight;
- Previously developed in whole or part.

7.7 Overall scores for each site have been totalled and used to rank sites within each TTWA, broadly grouped as 'good', 'average' and 'poor' quality.[30] The ranking tables for each TTWA are contained in Appendix 3, although there is a

[30] The score thresholds for this have been broadly set at Good = >45, Average = 25-45, Poor <25

brief commentary on the supply position in each area below. It should be emphasised that these rankings and categorisations are purely indicative to provide an estimation of the overall quality of the sites. In addition, the types of B-class uses for which each site was considered most suitable, have been noted (see Appendix 3).

7.8 Although these site rankings give a good indication of site quality and suitability, other considerations will also need to be taken into account in identifying a portfolio of sites such as their potential for a particular type of use and deliverability/timescale factors. In addition, not all businesses require a site which performs well on all these criteria, for example meeting rural/local needs.

Bude

7.9 The supply of existing employment land in the Bude TTWA totals just under 15 ha, and is dominated by two large industrial estates; King's Hill (8ha) and Bude Stratton Business Park (5ha). Bude Stratton is the only site in the TTWA which is of good quality, with the remainder having been judged to be of average or poor quality.

Falmouth and Helston

7.10 The most significant existing employment sites in Falmouth and Helston are the large industrial estates of Kernick Road (20 ha), Water-ma-Trout in Helston (13 ha) and Tregonoggie Industrial Estate in Falmouth (12 ha) with Falmouth Business Park (4 ha) the only significant office location. In total there is around 67 ha of employment land in the TTWA, with all existing land judged to be of good or average quality with Water-ma-Trout being the highest scoring major site.

Launceston

7.11 The majority of the 52 ha of employment land in the Launceston TTWA is on the Pennygillam Industrial Estate (33 ha), with smaller areas at Scarne (8 ha) and Newport (8 ha), all of which are of average quality.

Penzance

7.12 Most of the 60 ha of developed supply in this TTWA comes from a cluster of sites in the Long Rock area to the east of Penzance including Poniou Road (6 ha) and Poniou Way (6 ha). Other larger sites include the Guildford Road Industrial Estate in Hayle (5 ha), Varfell Farm (6 ha), Marsh Land Industrial Estate (5 ha) and at Lambo, St Erth (5 ha). A high proportion of the land is judged to be of good quality (25 ha in total), and all of the sites are categorised as good or average quality.

Saltash and Torpoint

7.13 The 63 ha of developed supply in this TTWA is predominantly located in Saltash, at Moorlands Trading Estate (8 ha), Saltash Industrial Estate (8 ha), Tamar View Industrial Estate (9 ha) and Saltash Parkway (15 ha) although Moss Side in Callington also delivers a further 10 ha. These sites vary in quality although less than 1% is of good quality and only 6% are assessed as poor quality, whilst Saltash Parkway is the highest scoring of the major sites.

St. Austell

7.14 This very large TTWA contains 34% of the county's total assessed land supply (264 ha) in a wide variety of locations. The most significant of these are:

- i a large concentration of sites in Bodmin including Walker Lines (22 ha), Newton's Margate (10 ha), Bodmin Business Park (6 ha), Cookland Industrial estate (7 ha) and Callywith Gate (5ha);
- ii Holmbush, St Austell (19 ha);
- iii Moorswater Industrial Estate, Liskeard (11 ha);
- iv Treloggan Industrial Estate, Newquay (9 ha);
- v a number of sites close to the A30 although detached from settlement, including Victoria Business Park (21 ha), Indian Queens Industrial Estate (9 ha), St Columb Major Business Park (6 ha) and St Columb Major Industrial Estate (8 ha); and
- vi a number of sites related to China Clay extraction, including Drinnick (20 ha) and Burngullow (21 ha).

7.15 The sites around Indian Queens and at Carclaze Downs are judged to be of good quality, with 7% of the TTWA's supply falling within this category in total. A further 2% is of poor quality, the majority of which is situated at the former Clay Country sites of Par Moor and Treskilling Dries.

Truro, Redruth and Camborne

7.16 There is a total of around 222 ha existing employment land in this TTWA, with the main areas located either within Truro – at Newham (25 ha) and Threemilestone (17 ha) – or within the CPR conurbation – at Cardrew (38 ha), Barncoose (28 ha) and Pool Industrial Estate (25 ha). However, the United Downs site (15 ha) lies in a rural location, remote from both these settlements. A high proportion of the existing land supply (26%) is of good quality and this includes the major industrial sites of Barncoose, Threemilestone and Cardrew. Only a very small proportion (less than 1%) of the supply is assessed as being of poor quality.

Wadebridge

7.17 There is around 35 ha of employment land within this TTWA, with all being of average quality. Significant sites include Trenant Industrial Estate (7 ha) and West Hill (6 ha).

7.18 A tabulated summary of the position with regard to the quality of existing, developed employment land is shown below in Table 7.3. This shows that approximately 14% is of good quality, 86% is of average quality and 1% is of poor quality.

Table 7.3 Employment Land Supply by Quality

TTWA	Site Quality (Total existing supply)			Total
	Good	Average	Poor	
Bude	4.9	9.8	0.1	**14.8**
Falmouth and Helston	0.7	66.5	-	**67.2**
Launceston	-	51.6	-	**51.6**
Penzance	24.7	35.3	-	**60.0**
Saltash and Torpoint	0.1	59.2	3.6	**62.9**
St. Austell	18.5	241.9	4.3	**264.7**
Truro, Redruth & Camborne	57.4	163.4	0.9	**221.7**
Wadebridge		35.5		**35.5**
Total	**106.3**	**671.1**	**8.9**	**778.4**

Source: Cornwall Council Site Survey

Assessment of Undeveloped Sites

7.19 The Council's site survey process initially identified approximately 214 ha of undeveloped employment land on 96 sites across Cornwall.

7.20 However, no information on the deliverability of the undeveloped land supply was recorded at the time of the original Cornwall Council site survey process. In addition, the assessment of the suitability of undeveloped land for different types of use (e.g. office, industrial etc) was made based on limited information. As a result, NLP were commissioned to undertake a more detailed appraisal of the delivery prospects of the 96 undeveloped sites identified by Cornwall Council.

7.21 The appraisal criteria used to examine the sites are detailed below:

Approach to Assessing the Deliverability of Undeveloped Sites

The following factors were assessed for each of the undeveloped sites:

- Undeveloped area - i.e. the amount of undeveloped land remaining/available
- Length of time site has been allocated/identified
- Planning Status/history
- Developer Interest/Owner aspirations - where known (e.g. has been subject to pre-application discussions or has fragmented ownership)
- Infrastructure constraints (e.g. transport, remediation)
- Environmental constraints (e.g. flooding, ecology, landscape)

These factors were drawn together into an overall assessment of the deliverability of the site. Ultimately, each site has to be considered on a case-by-case basis, but four broad timescale categories were applied:

- **Short term (<5 years)** sites with planning permission and/or have been the subject of recent developer interest. No particular constraints to development or no major infrastructure works identified as required prior to the commencement of development. In some cases sites in this category have already been divided into plots ready for building (e.g. Helston Business Park);
- **Medium term (5-10 years)** sites allocated (in Local Plans) or sites with planning permission which are considered to require some relatively minor works prior to the commencement of development. This could, for example, be the installation of an estate spine road or junction (which already has funding) or relatively minor land raising/remediation work; and
- **Long Term (10+ years)** sites not currently allocated for employment development or have major infrastructure constraints which need to be addressed prior to the commencement of development (e.g. major new road junction or significant remediation work but which appear to have potential to come forward by the end of the plan period;
- **Undeliverable** sites are those which appear to have extremely limited prospects of delivering any employment space within the plan period, in some cases because planning permission has been granted for alternative uses.

Adjustments to Undeveloped Land Supply

7.22 Following NLP's assessment, in consultation with Cornwall Council, some adjustments were made to the undeveloped land supply as originally estimated by the Council.

7.23 Firstly, Cornwall Council requested that six sites be excluded from further analysis because, despite their classification as undeveloped sites in the original database, they in fact did not contain any identified undeveloped plots available for development:

a Saltash Industrial Estate;

b Gwindra Industrial Estate, St Stephen, St Austell;

c Holmbush Industrial Estate, St Austell;

d Ponsharden Industrial Estate, Falmouth;

e Bejowans Business Park, St. Buryan, Penzance; and

f Trevu, Camborne (former Holman's Factory).

7.24 Secondly, following the NLP site assessments, and based on information provided by Cornwall Council, a number of sites were deemed unlikely to be delivered within the plan period. While these sites are still included in Appendix 4 and in the tables below, they have been excluded from the deliverable land supply total. These sites are:

- Land at the Restormel Industrial Estate, which has permission for a nursery school;
- Dunmere Road, Bodmin, for which there is an extant planning permission for 6,356 m^2 of non-food retail;
- Bessy Beneath - the site comprises the garden of a dwelling, access to which from the west has recently been obstructed by the development of new aggregate storage bays;
- Mount Pleasant Eco Park - the site has been set aside to provide disabled car parking associated with a new building elsewhere on the site which is currently under construction;
- Former Holly Farm Saw Mills - this site has recently been developed for warehousing development and the land identified to the east comprises a large mound, which has recently been planted with sapling trees;
- Higher Bochym Workshops (FH/7) – this site is not allocated for employment use; and
- Redruth Brewery (TCR/82) – large derelict site with significant contamination issues which may not provide a significant amount of employment premises given current retail/commercial proposals.

7.25 In addition, adjustments have been made to reflect expected levels of employment development on a number of other sites:

- East Looe (SA/43) – available land area reduced to 1 ha as it is understood this is the amount of B-class land now being accepted by Cornwall Council as appropriate for the site;
- the West of Trewoon (SA/41) and West of White Pyramid (SA/42) sites have been discounted as they form part of the land identified for the Clay Country eco-town. They have been replaced by a 20 ha mixed office/industrial allocation which is proposed as part of the eco-town development; and

- Land to the rear of Restormel Council offices (SA/37) has been split into two parts to reflect differing deliverability prospects. Area A is the southern section (0.85 ha) which is part of the area currently subject to planning application which also affects the adjacent former Pentewan Road Lab site (SA/38). Area B is the remaining, northern portion of the site.

7.26 As a result of all these changes, the total amount of undeveloped employment land supply in Cornwall is estimated to be approximately 206 ha and the location of the sites are shown on Plan 7.2. This is slightly below the Council's original estimate of 214 ha and significantly lower than the 254 ha estimated by the Amion Study in 2007.

Undeveloped Land Supply by Type

7.27 The 206 ha undeveloped supply has been broadly categorised into four types of site:

a **General Industrial/Warehousing:** those sites likely to be only suitable for industrial development, usually extensions/infill of existing estates;

b **Offices/Business Park:** those sites likely to be only suitable for office development, usually extensions to existing office/business parks;

c **Mixed-Use Offices/Industrial:** those sites where mixed B-uses may be suitable; or

d **Small-Scale Workshop/Office:** sites located away from the main population centres where smaller-scale employment provision is likely to be most suitable.

7.28 Further information on individual sites can be found within the site assessment sheets contained in Appendix 4. It should be noted that the assessments of the undeveloped employment sites has been made on the basis of information provided by Cornwall Council and other background information available at the time of drafting. More detailed site opportunity and constraint analysis will be required to inform decisions on individual sites.

Undeveloped Land Supply by TTWA

7.29 The undeveloped sites, their potential types of use and delivery timescales are set out by TTWA below. For each site, the 'total identified' area is recorded, as well as the 'deliverable area' which takes into account the adjustments to land supply outlined above. It should be noted that due to the site areas being provided to 3 decimal places, but rounded in the tables to 2 decimal places, not all totals will sum exactly.

Bude

7.30 Only one employment site with undeveloped land was identified in the Bude TTWA. This comprises a small rural workshop site on the outskirts of the village of Kilkhampton. Whilst the site is small there is capacity to bring forward further small-scale workshop/office units in the short term. There are limited other opportunities identified for employment land being delivered in the medium to longer term within this TTWA.

Table 7.4 Undeveloped Sites in Bude TTWA

Site Name	Site Ref.	Identified Area	Deliverable Area	Council Score	Existing/ Potential Use	Delivery Timescale
Kilkhampton, Bude	B/1	0.08	0.08	32	Small scale workshop/office	Short
Total Supply Identified		**0.08**				
Deliverable Supply			**0.08**			

Falmouth and Helston

7.31 Within this TTWA there are seven sites containing undeveloped land totalling some 14.6 ha. The most significant undeveloped area is within the large and established Kernick Road Industrial Estate (5.7 ha undeveloped in total), which is potentially available to deliver a range of different plots for general industry and/or office accommodation in the short term. Helston Business Park (4.9 ha), which is the subject of an extant planning permission, is also available for the development of a modern, high quality business park within the next five years.

7.32 This TTWA includes a large rural area and contains a number of sites suitable in principle for delivering small-scale workshop/office space and light industrial uses. This includes land at Nancegollan which is expected to be available for development in the short term. Higher Bochym has been excluded from the deliverable land total as it is not an allocated employment site and there is no indication that the site will come forward for employment development.

Table 7.5 Undeveloped Sites in Falmouth & Helston TTWA

Site Name	Site Ref.	Identified Area	Deliverable Area	Council Score	Existing/ Potential Use	Delivery Timescale
Kernick Road Industrial Estate[31]	FH/6	5.74	5.74	42	Mixed-use office/industrial	Short
Helston Business Park	FH/2	4.92	4.92	43	Mixed-use office/industrial	Short
Tregoniggie Industrial Estate	FH/8	0.63	0.63	35	Mixed-use office/industrial	Short
Nancegollan Estate	FH/5	0.33	0.33	32	Small scale workshop/office	Short
Falmouth Business Park	FH/3	0.21	0.21	36	Offices/ business park	Short
West End Industrial Estate	FH/4	0.05	0.05	37	Small scale workshop/office	Short
Higher Bochym	FH/7	2.68	0	23	Small scale workshop/office	Undeliverable
Total Supply Identified		**14.56**				
Deliverable Supply			**11.88**			

31 The total undeveloped site area excludes Plot UD26 (0.80 ha) which comprises land that is the subject of a wider extant planning permission for residential accommodation.

Launceston

7.33 Within this TTWA the vast majority of undeveloped employment land is at the established Pennygillam Industrial Estate (3.1 ha) and generally appears available for development in the short term. In the medium term, the proposed extension to the Scarne Industrial Estate is available for development and could bring forward general industry and warehousing space. Towards the end of the plan period, the long standing employment allocation at Badash Farm could potentially come forward to deliver 9.4 ha of employment space, thereby further consolidating the provision of industrial estates to the south of the A30 at Launceston.

Table 7.6 Undeveloped Sites in Launceston TTWA

Site Name	Site Ref.	Identified Area	Deliverable Area	Council Score	Existing/Potential Use	Delivery Timescale
Pennygilliam Industrial Estate	L/11	3.08	3.08	43	General industrial/ warehousing	Short
Treburley Workshops	L/12	0.11	0.11	26	Small-scale workshop/office	Short
Scarne Industrial Estate	L/10	3.89	3.89	35	General industrial/ warehousing	Medium
Badash Farm	L/9	9.42	9.42	35	General industrial/ warehousing	Medium
Total Supply Identified		**16.50**				
Deliverable Supply			**16.50**			

Penzance

7.34 Most undeveloped employment land within the Penzance TTWA is located to the south-west of Hayle to the south of the A30 roundabout. This location is well served by the main road network, providing direct links via the A30 to Penzance and Camborne/Redruth. In the short term, land at Marsh Lane Industrial Estate (1.4 ha) and Poniou Road within the Long Rock Industrial Estate (1.1 ha) could be delivered to provide a mix of office and industrial developments.

7.35 In the medium and longer term, the employment allocations at the St Erth Industrial Estate, known as Proposal E-A (6.3 ha) and Proposal E-B (1.4 ha) are expected to be available for development, and if delivered would consolidate the cluster of industrial accommodation in this location. In the case of Proposal E-B, it could also bring forward some office space.

7.36 There are a limited number of sites capable of providing accommodation for small-scale workshop/office accommodation within this TTWA. However, there is some land available in the short term to meet this need at the Chywoone Rural Workshops at St Just and Consols Industrial Estate at St Ives.

Table 7.7 Undeveloped Sites in Penzance TTWA

Site Name	Site Ref.	Identified Area	Deliverable Area	Council Score	Existing / Potential Use	Delivery Timescale
Marsh Lane Ind. Estate	PZ/20	1.40	1.40	51	Mixed-use office/ industrial	Short
Poniou Road, Long Rock Ind. Estate	PZ/18	1.06	1.06	54	General industrial/ warehousing	Short
St Erth Ind. Estate[32]	PZ/21	0.93	0.93	43	General industrial/ warehousing	Short
Consols Ind. Estate	PZ/17	0.28	0.28	30	Small-scale workshop/office	Short
Proposal E-D[33]	PZ/14	0.29	0.29	41	General industrial/ warehousing	Short
Poniou Way, Long Rock Ind. Estate	PZ/19	0.18	0.18	50	Mixed-use office/ industrial	Short
Chywoone Rural Workshops[34]	PZ/16	0.02	0.02	43	Small-scale workshop/office	Short
Proposal E-B	PZ/15	1.37	1.37	39	Mixed-use office/ industrial	Medium
Proposal E-A	PZ/13	6.30	6.30	43	General industrial/ warehousing	Long
Total Supply Identified		**11.83**				
Deliverable Supply			**11.83**			

Saltash & Torpoint

7.37 There are 12 identified undeveloped employment sites within this TTWA, primarily at Callington and Saltash. Within Callington, the most significant is the Moss Side Industrial Estate, where an extension is planned to both the east (4.8 ha) and to the north (North Extension Moss Side, 3.4 ha) to provide additional general industrial/warehousing space. The proposed east extension is likely to be available in the short term, ahead of the North Extension.

7.38 At Saltash, there is undeveloped land within the Moorlands Lane Trading Estate (4.75 ha) and Saltash Parkway (1.76 ha). Both estates are located to the south of the A38 in close proximity and comprise modern and attractive general industrial and warehouse space. Both sites appear capable of being delivered in the short term, with more immediate prospects at Saltash Parkway where a planning application is currently being considered for 17 industrial units. On the opposite side of the A38, the employment land allocation at the West Carkeel Service Station, if realised in the longer term, could further strengthen the cluster of industrial estates in this location.

7.39 To the north of Callington, within the Florence Road Industrial Estate, 1.2 ha of undeveloped land is available to deliver general industrial space in the short term. South of Saltash, at Torpoint, a number of undeveloped plots within the Trevol Industrial Estate (4.1 ha) are also capable of delivering mixed-use industrial and office accommodation in the short term. A number of undeveloped sites are also available in the short term in more rural locations to provide small-scale workshop/office space, notably at the Pensilva Rural Workshops (0.6 ha) and at the Delaware Industrial Estate (0.9 ha).

[32] Total undeveloped site area less Plot 1 Unit F (0.14ha), which has been constructed

[33] The undeveloped site area excludes the warehouse unit to the east of the site. Assumed that the undeveloped land comprises 0.7 ha

[34] Total undeveloped site area has been adjusted to reflect that Plot B has been developed

Table 7.8 Undeveloped Sites in Saltash & Torpoint TTWA

Site Name	Site Ref.	Identified Area	Deliverable Area	Council Score	Existing/Potential Use	Delivery Timescale
Moss Side Industrial Estate	ST/29	4.75	4.75	40	General industrial/ warehousing	Short
Trevol, Torpoint[35]	ST/31	4.11	4.11	42	Mixed-use office/ industrial	Short
Saltash Parkway	ST/30	1.76	1.76	43	General industrial/ warehousing	Short
Florence Road	ST/27	1.19	1.19	29	General industrial/ warehousing	Short
Moorlands Lane Trading Estate	ST/28	0.60	0.60	40	General industrial/ warehousing	Short
Pensilva Rural Workshops	ST/32	0.58	0.58	29	Small-scale workshop/ office	Short
Greenhill works[36]	ST/33	0.05	0.05	28	Small-scale workshop/ office	Short
Beeching Park	ST/24	0.03	0.03	40	Small-scale workshop/ office	Short
North Extension Moss Side	ST/22	3.40	3.40	42	General industrial/ warehousing	Medium
Briston Orchard	ST/25	0.22	0.22	35	Small-scale workshop/ office	Short
Delaware Industrial Estate	ST/26	0.90	0.90	32	Small-scale workshop/ office	Medium
West Carkeel Services	ST/23	11.30	11.30	39	Mixed-use office/ industrial	Long
Total Supply Identified		**28.89**				
Deliverable Supply			**28.89**			

St Austell

7.40 Within the St Austell TTWA, there are a large number of undeveloped sites concentrated around St Austell, St Columb Major, Bodmin and Liskeard. In the short term, the most significant supply is located within the Victoria Business Park, Roche (7.3 ha), where a number of undeveloped plots are identified both within and on the edge of the estate. All of these sites benefit from extant planning permission for industrial and office use. Land at Moorlands Business Park (3.5 ha) is also the subject of an extant outline planning permission for general industrial/office use and as such, and is capable of being delivered in the short term.

7.41 Other sites in this TTWA have the potential to deliver industry/warehousing accommodation in the short term and includes Treloggan and Indian Queens Industrial Estates (2.0 ha and 2.1 ha respectively). Office accommodation appears capable of being delivered in the short term within the Svedala site at Charlestown (1.8 ha) as part of a mixed-use residential scheme and also at the St Austell Enterprise Park (1.7 ha), which benefits from detailed planning permission for a business park. In addition, there are also a large number of smaller sites across the TTWA that are capable of being delivered in the short term to provide general industry/warehousing space i.e. Doublebois Industrial Estate (0.9 ha) or small-scale workshop/office accommodation i.e. St Dennis Industrial Estate (0.9 ha).

[35] Total undeveloped site area excludes Plot 20 (0.24ha) as this plot has been developed

[36] This site is constrained by the existing built form. Land/buildings to the rear of the existing buildings is under construction

7.42 In the medium term, a mixed-use scheme comprising office/industrial and some retail space could potentially come forward at the former Pentewan Road Lab site (2.1 ha) and part of the site at the rear of the Restormel Offices (0.9 ha). In addition, 11 ha of undeveloped employment land is identified as part of the Newquay Growth Area and a part of this land benefits from outline planning permission for a mixed-use scheme including some of B1 space, subject to a legal agreement being signed.

7.43 Towards the end of the plan period a number of large undeveloped sites may become available, primarily for mixed-use office and industrial space. This includes the northern part of the site to the rear of Restormel Offices in St Austell (2.6 ha) and land to the East of Charter Way, Liskeard (11.5 ha).

Table 7.9 Undeveloped Sites in St Austell TTWA

Site Name	Site Ref.	Identified Area	Deliverable Area	Council Score	Existing/Potential Use	Delivery Timescale
Liskeard Business Park	SA/54	0.26	0.26	42	General industrial/ warehousing	Short
Treskilling Dry	SA/62	0.30	0.30	28	Small-scale workshop/ office	Short
Carminow Road	SA/49	0.35	0.35	31	General industrial/ warehousing	Short
Callywith Gate[37]	SA/48	0.39	0.39	42	General industrial/ warehousing	Short
Clemo Road	SA/50	0.42	0.42	43	Mixed-use office/ industrial	Short
Heathlands	SA/53	0.44	0.44	44	General industrial/ warehousing	Short
St Columb Major Business Park	SA/59	0.65	0.65	44	Offices/ business park	Short
Middleway/Station Road	SA/55	0.74	0.74	37	General industrial/ warehousing	Short
Bodmin Business Park[38]	SA/47	0.76	0.76	43	Offices/ business park	Short
St Dennis Industrial Estate	SA/44	0.89	0.89	30	Small-scale workshop/ office	Short
Doubledois	SA/51	0.94	0.94	33	General industrial/ warehousing	Short
Rockhill Dry[39]	SA/57	1.32	1.32	37	Mixed-use office/ industrial	Short
Beacon Kilns	SA/46	1.54	1.54	28	General industrial/ warehousing	Short
St Austell Enterprise Park (Carclaze Downs)	SA/58	1.70	1.70	38	Mixed-use office/ industrial	Short
Svedala Charlestown	SA/60	1.76	1.76	40	Offices/ business park	Short
Treloggan Industrial Estate	SA/61	2.02	2.02	43	General industrial/ warehousing	Short
Indian Queens Industrial Estate	SA/34	2.11	2.11	47	Mixed-use office/ industrial	Short
Moorland Business Park	SA/36	3.50	3.50	43	Mixed-use office/ industrial	Short
Victoria Business Park	SA/63	7.30	7.30	46	General industrial/ warehousing	Short
Beacon Technology Park	SA/94	2.91	2.91		Offices/ business park	Short
Polean, West Looe	SA/45	0.11	0.11	28	Small-scale workshop/ office	Medium
Carloggas	SA/40	1.08	1.08	37	General industrial/ warehousing	Medium
Pentewan Road Lab Site	SA/38	2.13	2.13	43	Mixed-use office/industrial	Medium

37 Half of the undeveloped plot is under construction

38 Total undeveloped area excludes Plot 8 (0.61ha) which has been developed

39 Total undeveloped area excludes Plots 6, 8 and 10 as they have been developed

Site Name	Site Ref.	Identified Area	Deliverable Area	Council Score	Existing/Potential Use	Delivery Timescale
R/O Restormel Offices (area B)[40]	SA/37	2.56	2.56	41	Mixed-use office/ industrial	Medium
East Looe[41]	SA/43	7.50	1.00	32	Mixed-use office/ industrial	Medium
Newquay Growth Area[42] (Area A)	SA/39	4.50	4.50	40	Mixed-use office/ industrial	Medium
R/O Restormel Offices (area A)[40]	SA/37	0.85	0.85	41	Mixed-use office/ industrial	Long
West of Trewoon[43]	SA/41	4.04	0	36	Mixed-use office/ industrial	Undeliverable
West of White Pyramid[35]	SA/42	7.96	0	36	Mixed-use office/ industrial	Undeliverable
East of Charter Way	SA/35	11.50	11.50	46	Mixed-use office/ industrial	Long
Newquay Growth Area[44] (Area B)	SA/39	6.50	6.50	40	Mixed-use office/ industrial	Long
Restormel Industrial Estate	SA/56	0.21	0	42	Nursery School	Undeliverable
Dunmere Road	SA/52	1.14	0	40	Non-food retail use	Undeliverable
Clay Country Eco-town		20.00	20.00		Non-food retail use	Long
Total Supply Identified		**100.36**				
Deliverable Supply			**80.51**			

Truro, Camborne and Redruth

7.44 There are a total of 24 undeveloped employment sites within this TTWA, mostly concentrated around its main northern towns (Camborne, Pool and Redruth) along the A30. There are a number of existing estates where there is a large amount of undeveloped employment land which is potentially available for development within the next five years. These estates include Treleigh (9.4 ha) and Barncoose (4.3 ha), which are both located in CPR, have good levels of market demand, and benefit from a number of extant planning permissions for general industrial development. Outside of CPR, United Downs Phase 1 (1.1 ha) and Phase 2 (1.5 ha) provide a number of undeveloped plots for general industrial/warehousing use which are potentially available in the short term.

7.45 Elsewhere in the TTWA there are a number of other sites which provide undeveloped land capable of meeting the needs of smaller/lower-value businesses in the short term such as Station Road, Perranporth (0.4 ha).

7.46 In the medium term, a significant area of land at Hallenbeagle, could come forward for industrial development and is the subject of an extant consent for B1(b), B1(c), B2 and B8 development. In the longer term, there is deliverable supply of employment land at Tolvadden Energy Park (4.1 ha), the Treliske Medical Park (2.8 ha) and at the former Redruth Brewery site (2.3 ha).

40 This site has been split into two due to their differing deliverability prospects. The southern section (Area A, 0.85 ha) is part of the area currently subject to planning application which also affects the adjacent former Pentewan Road Lab site (SA/38). Area B is the remaining, northern portion of the site

41 It is understood that a planning application is due to be submitted for 170 houses and 1 ha of light industrial employment uses – as a result the deliverable area has been reduced from 7.5ha to 1ha

42 The Newquay Growth Area has been divided into two parts; Part A is that which already benefits from planning permission and Part B is the amount expected to be delivered as part of the rest of the masterplan area

43 Both this and the West of White Pyramid sites are designated as part of the Clay Country Eco-town proposals. They have therefore been discounted and replaced with the 20 ha of land proposed for the Eco-town.

44 Ditto reference 43

Table 7.10 Undeveloped Sites in the Truro, Camborne & Redruth TTWA

Site Name	Site Ref.	Identified Area	Deliverable Area	Council Score	Existing/Potential Use	Delivery Timescales
Killiwherries Barton Industrial Estate	TCR/72	0.06	0.06	37	Small-scale workshop/ office	Short
Former Atcost Site	TCR/78	0.07	0.07	39	Small-scale workshop/ office	Short
North Grange Industrial Estate	TCR/81	0.12	0.12	35	Small-scale workshop/ office	Short
Praze-an-Beeble Business Park[45]	TCR/86	0.18	0.18	35	General industrial/ warehousing	Short
Trevellas Industrial Estate	TCR/75	0.19	0.19	27	Small-scale workshop/ office	Short
Station Road and New Road	TCR/83	0.37	0.37	34	Small-scale workshop/ office	Short
Cligga Industrial Estate	TCR/74	0.49	0.49	34	Small-scale workshop/ office	Short
Carn Brea Business Park	TCR/77	0.53	0.53	50	General industrial/ warehousing	Short
Former Plumbase	TCR/79	0.58	0.58	31	Mixed-use office/ industrial	Short
Cardrew Industrial Estate	TCR/64	0.91	0.91	50	General industrial/ warehousing	Short
United Downs Phase 1	TCR/84	1.11	1.11	36	General industrial/ warehousing	Short
United Downs Phase 2[46]	TCR/85	1.46	1.46	37	General industrial/ warehousing	Short
Former Model Village[47]	TCR/69	2.81	2.81	39	Mixed-use office/ industrial	Short
Tolvaddon Energy Park	TCR/65	4.12	4.12	48	Offices/ business park	Short
Barncoose Industrial Estate	TCR/66	4.17	4.17	46	Mixed-use office/industrial	Short
Treleigh Industrial Estate	TCR/68	7.89	7.89	41	General industrial/ warehousing	Short
Trevissome Park	TCR/73	0.31	0.31	28	Offices/ business park	Short
Gilberts Coombe	TCR/87	0.38	0.38	29	Small-scale workshop/ office	Medium
Land at Hallenbeagle	TCR/71	14.90	14.90	37	General industrial/ warehousing	Medium
Redruth Brewery[48]	TCR/82	2.33	0	44	Mixed-use office/ industrial	Undeliverable
Treliske Medical Park	TCR/67	2.77	2.77	44	Mixed-use office/industrial	Long
Mount Pleasant Eco Park[49]	TCR/80	0.01	0	23	N/A	Undeliverable in Plan Period
Bessy Beneath[50]	TCR/76	0.07	0	24	N/A	Undeliverable in Plan Period
Former Holly Farm Saw Mills[51]	TCR/88	0.17	0	26	N/A	Undeliverable in Plan Period
Total Supply Identified		**46.00**				
Deliverable Supply			**43.42**			

45 The undeveloped site area is over-estimated on the Council's Assessment Sheet because it includes existing development

46 The undeveloped site area excludes half of Plot 19 (0.22 ha) and Plot 21 (0.15 ha), both of which have been developed

47 There is an extant planning permission on the site for live-work units which may restrict the deliverable area

48 It has been assumed that this site may come forward as a mixed-use scheme including a proportion of residential use and is therefore unlikely to deliver any additional employment space

49 The undeveloped plot identified comprises the garden of the main dwelling house at the site

50 The undeveloped site identified comprises the garden to the main dwelling house on the estate. Aggregate bays have recently been built along the eastern boundary of the garden preventing access to this land

51 The former Saw Mill has now been developed and the undeveloped land to the east of the site comprises a small, recently planted grass mound

Wadebridge

7.47 There is a good supply of undeveloped sites within this TTWA. In the short term, extensions to existing development at Higher Trenant, West Hill and Trenant Industrial Estate are available and could potentially deliver around 11 ha of office or industrial accommodation. There is further availability in the medium-term at Trecerus Industrial Estate (2.2 ha) and Delabole (0.3 ha).

Table 7.11 Undeveloped Sites in the Wadebridge TTWA

Site Name	Site Ref.	Identified Area	Deliverable Area	Council Score	Existing/Potential Use	Delivery Timescales
Land Adj to Higher Trenant	W/92	4.96	4.96	39	Mixed-use office/industrial	Short
Trenant Extension	W/89	1.34	1.34	37	Mixed-use office/industrial	Short
West Hill	W/93	4.21	4.21	32	Mixed-use office/industrial	Short
Trecerus	W/90	2.16	2.16	32	Mixed-use office/industrial	Medium
Delabole	W/91	0.31	0.31	21	Small-scale workshop/office	Medium
Total Supply Identified		**12.98**		4.96		
Deliverable Supply			**12.98**			

Analysis of Undeveloped Land Supply

7.48 Table 7.12 below breaks down the 206 ha total undeveloped land supply into the type of employment space likely to be delivered.

Table 7.12 Undeveloped Land Supply by TTWA and Type

TTWA	General Industrial /Warehousing	Office / Business Park	Mixed-use Office/Industrial	Small-Scale Workshop/ Office	Total
Bude				0.1	0.1
Falmouth & Helston		0.2	11.3	0.4	11.9
Launceston	16.4			0.1	16.5
Penzance	8.6		3.0	0.3	11.8
Saltash & Torpoint	11.7		15.4	1.8	28.9
St Austell	15.0	5.4	58.1	1.3	80.5
Truro	27.0	4.4	10.3	1.7	43.4
Wadebridge			12.7	0.3	13.0
Total	**79.3**	**10.1**	**110.7**	**6.0**	**206.1**

Source: NLP analysis

7.49 To enable comparison with the land requirements in following chapters, the site typology has been translated into the supply of office space and the supply of industrial space. This has been done by assuming that on mixed-use sites there is a 50:50 split between office and industrial uses. Table 7.13 considers the total office and industrial supply by TTWA. This demonstrates that there is a significantly greater proportion of industrial land supply in the plan period than there is office land supply, even assuming such a 50:50 split on mixed-use sites which possibly overestimates the amount of potential office development.

Table 7.13 Undeveloped Land by Development Type

TTWA/Type of Site	Offices	Industrial	Total Supply
Bude	0.0	0.0	0.1
Falmouth & Helston	6.0	5.8	11.9
Launceston	0.1	16.4	16.5
Penzance	1.6	10.2	11.8
Saltash & Torpoint	8.6	20.3	28.9
St Austell	35.1	45.4	80.5
Truro	10.4	33.0	43.4
Wadebridge	6.5	6.5	13.0
Total	**68.4**	**137.7**	**206.1**

Source: NLP analysis

Note: Assumes that land categorised as mixed office/industrial is developed 50:50 for offices/industrial and that small-scale workshop/office is categorised as offices.

Development Delivery Timescales

7.50 Table 7.14 demonstrates that most of the employment land supply is expected to be delivered in the short term with a large proportion of sites also expected to be delivered towards the end of the plan period. This reflects a number of large allocated sites which require substantial infrastructure works and planning permissions in order to bring these sites forward.

Table 7.14 Undeveloped Land Supply by TTWA and delivery timescale (ha)

TTWA/Type of Site	Short		Medium		Long		Total	
	Off	Ind	Off	Ind	Off	Ind	Off	Ind
Bude	0.0	0.0					**0.0**	**0.0**
Falmouth & Helston	6.0	5.8					**6.0**	**5.8**
Launceston	0.1	3.1		13.3			**0.1**	**16.4**
Penzance	0.9	3.2	0.7	0.7		6.3	**1.6**	**10.2**
Saltash & Torpoint	2.5	10.8	0.5	3.9	5.7	5.7	**8.6**	**20.3**
St Austell	10.6	19.7	10.9	12.0	13.7	13.7	**35.1**	**45.4**
Truro	8.9	16.5	0.2	15.1	1.4	1.4	**10.4**	**33.0**
Wadebridge	5.3	5.3	1.2	1.2			**6.5**	**6.5**
Totals	**34.2**	**64.5**	**13.5**	**46.1**	**20.7**	**27.0**	**68.4**	**137.7**
	98.8		**59.6**		**47.7**		**206.1**	

Source: NLP analysis *Note: Totals may vary due to rounding

Worst-case Supply Scenario

7.51 In order to assess which areas are most at risk of shortages of particular types of employment land, a "worst-case" supply scenario has also been considered. This seeks to take account of other potential constraints (in addition to the physical site factors assessed above) to the delivery of employment land in Cornwall. These might include economic viability barriers to developing employment space and in some cases landowner aspirations for higher value uses. As a result, even the relatively cautious supply position outlined above may be an overestimate of the amount of land which is realistically likely to come forward within the plan period due to factors other than purely physical site constraints.

7.52 To illustrate the potential effect of this, a "worst-case supply" scenario has been tested based on applying a "non-implementation discount" of 20% of the total undeveloped employment land supply. This is based on analysis provided by Cornwall Council of sites considered to be at greatest risk of non-delivery. However, the scenario is indicative only as it would not be appropriate to exclude individual sites from the supply for the following reasons:

a it would require a detailed viability appraisal of each site which is beyond the scope of this study;

b it would require an understanding of owner aspirations on individual sites which it is not often possible to obtain; and

c it could potentially prejudice any future decisions over the planning status of the site;

7.53 On this basis, this indicative 'worst-case' scenario results in a reduced total supply of about 165 ha, with the breakdown by type and TTWA shown in Table 7.15.

Table 7.15 Worst-case Supply Scenario

TTWA/Type of Site	Offices (ha)	Industrial (ha)	Total Supply (ha)
Bude	0	0	0
Falmouth & Helston	5	5	10
Launceston	0	13	13
Penzance	1	8	9
Saltash & Torpoint	7	16	23
St Austell	28	36	64
Truro	8	26	35
Wadebridge	5	5	10
Total	**55**	**110**	**165**

Source: NLP analysis

Conclusions

7.54 A total of 269 developed, allocated and potential employment sites have been assessed through the Cornwall County site survey. Of the 778 ha of existing developed land supply which this survey estimated, the vast majority was assessed to be either of good or average quality with just 3% being of poor quality.

7.55 However, it should be noted that many of the poorer quality sites are occupied and serve a local need at some level, particularly in the rural areas. These include some bad neighbour uses or firms requiring very low cost premises/sites, and replacement provision would need to be ensured for them if they were to be lost from the supply. Unless current uses are causing environmental or amenity impacts for nearby residential properties, and there are suitable relocation sites, there should be a policy presumption against the loss of such sites.

7.56 Following this initial site survey, NLP were instructed to further investigate sites which were identified by the Council as containing undeveloped employment land. This process has estimated that within the sites identified there is a total of approximately 206 ha of undeveloped employment land supply. This compares to the 254 ha amount previously estimated as part of the 2007 Employment Space Strategic Assessment, although due to differences in the site survey methodology it does not follow that 50 ha of supply has been lost or developed in the last four years.

7.57 The distribution of the identified supply broadly matches that of the exiting land supply, with nearly two-thirds lying within the largest TTWAs of St Austell and Truro, Camborne & Redruth. Of the 206 ha of deliverable supply, 99 ha was deemed to be deliverable within the short term (next 5 years), a further 60 ha in the medium-term (5-10 years) and 48 ha in the long-term (10-16 years). Although the supply contains a large number of small sites, the overall quantum of land is heavily dependant on a small number of large sites coming forward. For example, the largest 11 sites which are all over 5 ha in area account for more than half the total supply (105 ha).

7.58 The type of premises which the land supply is likely to deliver has also been assessed and shows that the majority of the deliverable supply is most suited to industrial uses (138 ha) with a smaller amount suitable for offices (68 ha) if it is assumed that mixed-use sites come forward in a 50:50 office to industrial ratio. However, given that a large proportion of supply (117 ha) is suitable for mixed B-class uses, this split between office and industrial has considerable flexibility to respond to market or policy imperatives, and will be tested further in subsequent chapters.

7.59 A 'worst-case' supply scenario has also been tested which discounts a further 20% from the total to reflect the fact that other sites may not come forward for reasons other than physical constraints (e.g. as a result of differing owner aspirations and low development viability), although it does not seek to discount individual sites. In such a scenario, the potential supply of undeveloped land could reduce to 165 ha.

8.0 Future Employment Space Requirements

8.1 This section assesses the amount of total additional employment space that is likely to be needed in Cornwall and its eight constituent TTWAs in the period to 2026. It also considers the types of B-class space required. It is important to emphasise that the assessment of future needs for employment land in this Section does not take into account existing commitments and as such does not represent the amount of additional sites required to meet identified employment needs. The quantity of new employment space and land required for allocation is considered in the following section.

Approach

8.2 The assessment focuses on estimating the broad scale and type of employment land required across Cornwall in the future, having regard to the nature of the existing commercial property market. In doing so, it considers three questions:

1. What is the broad quantum of employment land that should be planned for?
2. What is the appropriate apportionment of this requirement by TTWA?
3. What types of employment space are likely to be in most demand in each TTWA, both now and in the future?

8.3 To inform this process a number of different factors have been considered:

a. forecasts of employment growth in the main B-class sectors, prepared by Experian Business Strategies;
b. past employment development trends in Cornwall based upon a review of take-up rates recorded by the Valuation Office Agency (VOA);
c. forecasts of future labour supply based on expected changes in Cornwall's resident workforce.

8.4 All of these approaches have some limitations and need to be considered together along with other indicators, such as wider trends in use of employment space and the growth needs of local firms, to give a robust view of future employment space needs.

8.5 In addition, the economic growth potential and likely demand for employment space in Cornwall needs to be assessed under a range of different future scenarios. This allows an appraisal of the potential impact arising from a number of possible economic scenarios, including lower economic growth than in the past to reflect the effects of the national recession, the continuation of past trends or the adoption of specific policy measures to encourage a higher level of economic growth or an increased focus upon particular sectors.

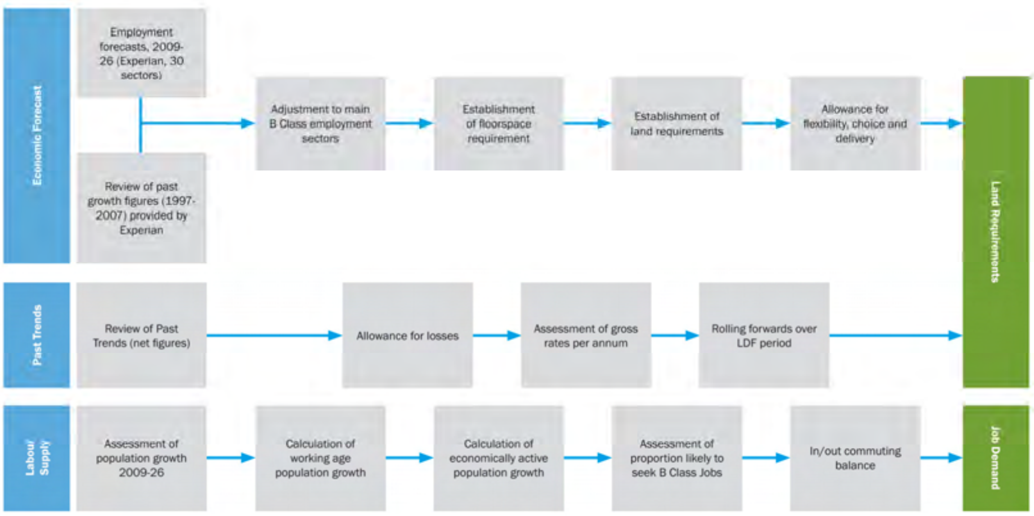
8.6 A range of scenarios have been developed to estimate the broad scale and type of employment land required in Cornwall in the future (Table 8.1). These scenarios are intended to inform the process and to provide a broad basis by which the various factors that influence employment space requirements might be fully understood. All of these scenarios are policy neutral and so adjustments might need to be made to take account of specific interventions that are required or considered to be desirable.

Table 8.1 Future Scenarios Description

Scenario	Description
1. Baseline Forecast	Forecast of employment growth in 30 sectors between 2009 and 2026 taking into account the impact of recession and other anticipated changes in the national, regional and local economy
2. Continuation of Past Job Trends	Forecast of employment growth in 30 sectors based extrapolating the rate of employment growth that was achieved in each sector between 1997-2007
3. Past Take-up Rates	Forecasts of future employment land requirements based upon "rolling forward" the development rates that took place between 1998 and 2008
4. Labour Supply	Forecast of employment growth based upon future demographic projections in order to understand the extent to which the demand for jobs might shape the requirement for employment land

8.7 The approach taken to the assessment of future employment space requirements is illustrated in Figure 8.1 below.

Figure 8.1 Methodology for Assessing Future Land Requirements



Source: NLP

8.8 The implications of the different approaches to assessing Cornwall's future employment land needs and the factors affecting these are now considered.

Scenario 1: Baseline Forecast

8.9 Forecasts of employment growth for Cornwall's eight 2001 TTWAs up to 2026 were obtained from Experian Business Strategies in October 2009. Using Lower Level Super Output Area (LSOA) data, these have been adjusted to exclude those parts of the TTWAs that lie within Devon.

8.10 The period of national recession during 2007-2009 has led to a widespread re-evaluation of the general reliability of economic forecasts and in any case such forecasts tend to be more reliable at regional and national scales than at the local economy level. In addition, they do not take into account local policy interventions and economic drivers (as detailed in Section 6). Nonetheless, they can indicate the broad scale and direction of economic growth in different sectors and provide some guidance to help plan for future land requirements.

8.11 The forecasts of employment growth by sector used here reflect recent (mid-recession) trends and are based on projections at regional level, and how economic sectors in the County have fared relative to the region's growth in the past. Appendix 5 contains detailed forecasts.[52]

Employment Change

8.12 The overall employment change in Cornwall resulting from these forecasts is summarised in Table 8.2 along with expected job growth in the main B class sectors. This includes an allowance for jobs in a number of non B class sectors that typically utilise industrial or office space, such as some construction uses, vehicle repair, courier services, road transport and cargo handling and some public administration activities.

Table 8.2 Forecast Employment Change in Cornwall 2009-2026

	No. of Jobs		Change 2009-26
	2009	2026	
Business/financial services (B1)*	36,350	32,620	-3,730
Manufacturing (B1c/B2)**	28,100	28,240	130
Distribution (B8)***	11,980	13,990	2,020
Total B-class Jobs	**76,430**	**74,850**	**-1,580**
Jobs in All Sectors	**252,720**	**258,860**	**6,140**

Source: Experian Business Strategies/NLP analysis 2009

Notes: Total jobs including self-employed, * includes publishing and proportion of government offices, ** includes vehicle repair and some construction activities, *** includes parts of transport, communications sectors that use industrial land. Totals rounded.

52 These job forecast figures were adjusted to estimate total jobs in the main B class sectors.

8.13 These forecasts suggest a net overall loss of about 1,600 B-class jobs over the period to 2026. This figure is based upon a substantial loss in office based activities which is expected to outweigh job growth in distribution and to a lesser extent in manufacturing sectors. This sits against the context of overall job growth of 6,140 jobs predicted for the County over the period, mainly in retail, health and transport and with smaller gains in construction, food, drink & tobacco and wholesaling.

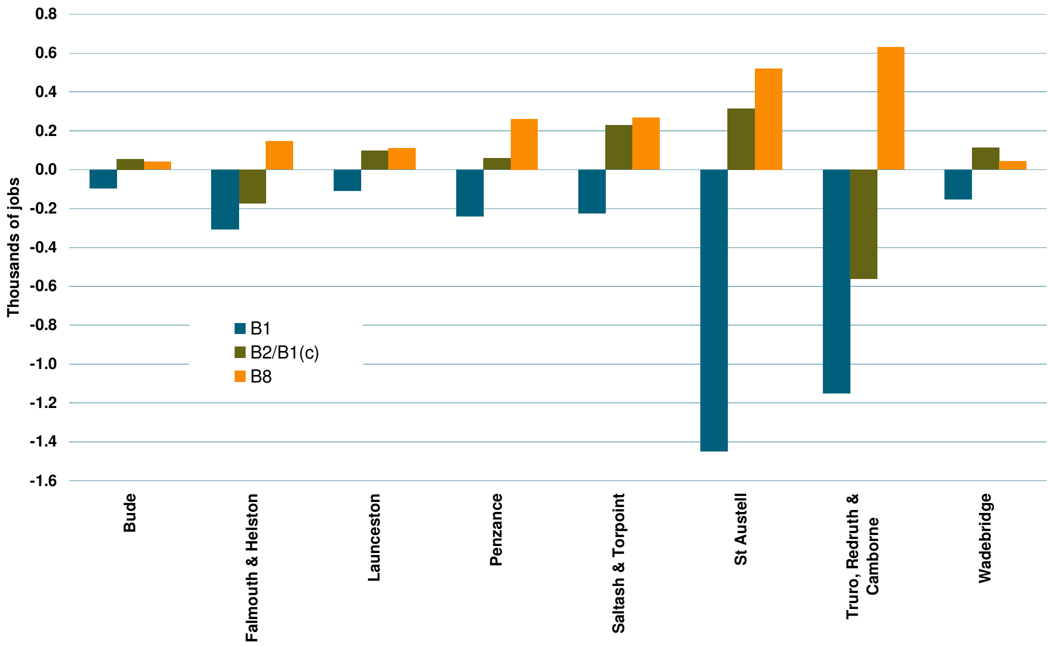
8.14 This predicted net loss of about 1,600 B-class jobs over the next 17 years is equivalent to about 90 jobs per year. This is in direct contrast to the growth achieved since 1997. Between 1997 and 2007, B-class jobs in Cornwall grew by 13,960 (1,396 per annum). During this time, minimal changes in manufacturing and warehousing activities were outweighed by substantial growth in office-based employment.[53]

8.15 Whilst the continued stabilisation or slow growth of jobs in the industrial sector is consistent with the strong resilience of this sector in the County in recent years, the forecast decline in office-based jobs is much more surprising. This identified trend implies that Cornwall is moving in a different direction of travel to the rest of country which, in spite of the recession, is expected to continue to be grounded upon office-based sectors as the key economic drivers. However, much slower predicted job growth than in the recent past is understood to reflect longer term deceleration in employment growth in the financial & business services in the UK.[54] Nationally, the UK is forecast to gain less than half the number of jobs in this sector between 2011 and 2026 than it has in the past decade. This can be explained in terms of rising productivity as well as much lower growth in the working-age population in future, partly because of an ageing population. It has also been affected by the recession. Business services, which boomed in the last decade, have been badly affected, particularly those geared towards consumer services, manufacturing and construction. In addition, even before the recession, this sector was showing some slowing after a decade of expansion nationally. Employment in business services is not expected to return to recent levels until 2018, and the effect may be magnified in areas where these sectors are less developed.

8.16 Figure 8.2 indicates that all of the TTWAs are forecast to experience net losses in office based employment and modest growth in distribution. The highest B1 decline is concentrated in the Truro, Redruth & Camborne and St. Austell TTWAs. Some relatively small growth in manufacturing is also forecast for all the TTWAs, except Falmouth & Helston and Truro, Redruth & Camborne.

[53] Based on Experian job data which includes employee jobs plus self-employed workers
[54] Based on discussions with Experian in November 2009

Figure 8.2 Baseline forecast for B-class employment change by TTWA, 2008-2026



Source: Experian Business Strategies/NLP Analysis

8.17 It should however be noted that forecasts with a 2009 baseline may be misleading as a guide to future employment space needs as the starting point is lower than the 2007 economic 'high water mark' before the start of the recession. As a result, even a return to recent job levels in future would suggest significant job gains and space requirements.

Space Implications

8.18 These baseline job forecasts for Cornwall have been converted to gross additional floorspace requirements assuming typical ratios of jobs to floorspace for the different B uses.[55] A ratio of 1 job per 31 m^2 is assumed for manufacturing space, 1 job per 40 m^2 is assumed for general, smaller scale warehousing, with large scale, lower density strategic distribution units assumed to be less likely in Cornwall. A ratio of 1 job per 20 m^2 has been assumed for office space.

8.19 An average plot ratio of 0.4 is assumed for both office and industrial uses, in line with national guidance.[56] This means that a 1 ha site would accommodate approximately 4,000 m^2 of employment floorspace. In other studies, a higher plot ratio is used for offices, although this is usually where town centre redevelopments constitute a high proportion of the land supply where higher densities are common. Within Cornwall, high density town centre space

[55] ODPM Guidance Note on Employment Land Reviews notes there is no one correct employment density figure. It provides sample densities of 1 office job requires 18 m^2 of floorspace, 31 m^2 per manufacturing/industrial job and 40 m^2 per warehousing job. The figures used in this study reflect these densities as well as those derived from other studies of employment density and NLP surveys.

[56] *ibid*

comprises a very small proportion of total supply, with low-density business park space being more common. As a result the 'standard' plot ratio of 0.4 for offices in the county is considered appropriate.

8.20 On this basis, the job forecasts indicate significantly less office floorspace being needed by 2026, slightly more manufacturing space and much more warehouse space required. To accommodate these job forecasts, at least 84,700 sq m more B class employment space would be needed over the next 17 years, and at least 21.2 ha of employment land.

8.21 The forecasts set out below suggest that there would be a substantial loss of floorspace and land associated with Class B1 activities and a requirement for additional space and land for manufacturing and distribution purposes. The assumption that the requirement for B2 and B8 purposes would make up for the loss of B1 land would suggest that only 4.4 ha would be required in Cornwall over the LDF period. However, this would fail to recognise the specific land requirements associated with different economic sectors. The land requirements for office developments tend to vary considerably from those for industrial forms of development (Class B2 or B8). Such differences might relate to the amount of space that is required, the locations within which they might reasonably be established and the potential impact of such uses upon adjoining areas. As a result, it is unlikely that surplus office land would be released for other forms of employment development.

Table 8.3 Baseline Job Forecast based Employment Space Requirements, 2009-2026

	2009-2026	
	Net Floorspace Needs (m^2)	Net Land Needs (ha)
Office space (B1)	-74,600	-17
Manufacturing space (B1c/B2)	4,100	1
Distribution space (B8)	80,600	20
Total B-class space	**84,700**	**21**

Source: Experian Business Strategies/NLP Analysis

Note: totals rounded

Conclusion

8.22 An employment forecast based approach would imply a future need for a relatively small amount of more employment space in Cornwall over the period to 2026. All of this would be for industrial and distribution uses. This forecast is somewhat inconsistent with the recent historical growth in office based employment and relative decline of the manufacturing sector. For these reasons, a cautious approach needs to be taken towards basing future land needs only on baseline scenario job forecasts and other approaches need to be considered.

Scenario 2: Past Employment Trends

8.23 For comparison purposes, a scenario which effectively "rolls forward" Cornwall's employment growth rates for B-class sectors achieved over the period 1997-2007 (as provided by Experian) has also been considered. This is effectively a "no recession" scenario, which assumes that growth will continue in accordance with the average growth rates experienced between 1997-2007.

Employment Change

8.24 Table 8.4 shows how the outputs from this scenario differ substantially from those associated with the Experian baseline forecasts. This scenario predicts growth across all of the three main B classes, especially in office-based jobs. Overall, B class employment under this scenario is forecast to increase by 31,940 jobs between 2009 and 2026. Over two thirds of these additional jobs are forecast to be associated with office based activities with the remainder in both manufacturing and distribution sectors. Overall job growth for the County is forecast at 95,410, with significant gains anticipated in retailing, hotels & catering, transport, business services, public administration & defence, education, construction and health. This level of growth is unsurprising given that this scenario reflects the buoyant pre-2007 economy.

Table 8.4 Forecast Employment Change in Cornwall 2009-2026 based on Past Employment Trends

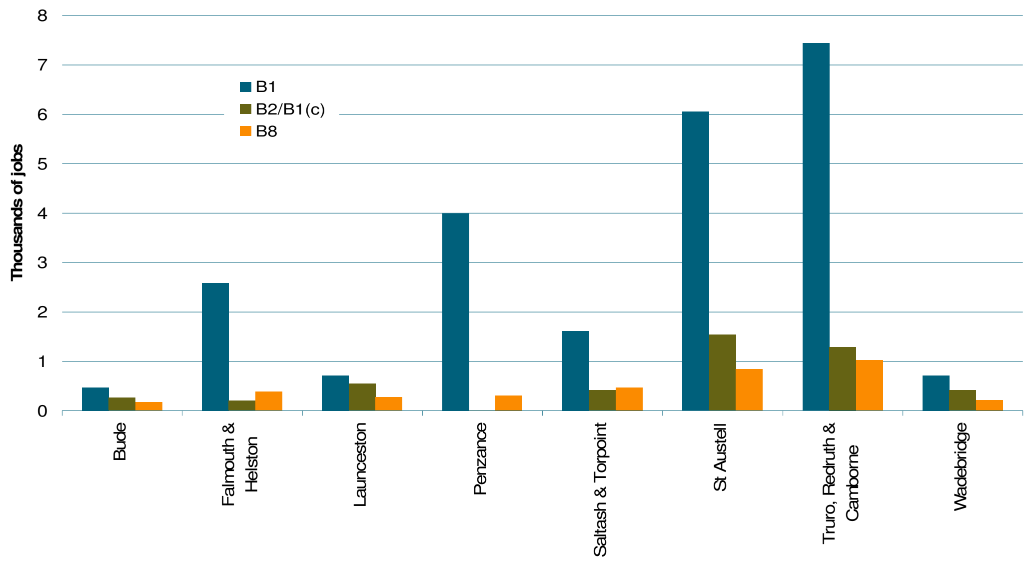
	No. of Jobs		Change
	2009	2026	2009-26
Business/financial services (B1)*	39,720	63,300	23,580
Manufacturing (B1c/B2)**	27,040	31,720	4,680
Distribution (B8)***	12,600	16,290	3,680
Total B-class Jobs	**79,370**	**111,310**	**31,940**
Jobs in All Sectors	**250,740**	**346,150**	**95,410**

Source: Experian Business Strategies/NLP analysis

Notes: Total jobs including self-employed, * includes publishing and proportion of government offices, ** includes vehicle repair and some construction activities, *** includes parts of transport, communications sectors that use industrial land. Totals rounded

8.25 This scenario anticipates that all of the TTWAs are forecast to undergo overall employment growth over the Plan period, primarily in office based activities. The majority of office growth is forecast for Truro, Redruth & Camborne (reflecting Truro as the major office centre) and St. Austell. Growth is also expected for industrial and distribution employment in all of the TTWAs (except for industry in Penzance and the Isles of Scilly, which is forecast to remain the same).

Figure 8.3 Forecast B Class Employment Change for Cornwall by TTWA 2009-2026 based on Past Trends



Source: Experian Business Strategies/NLP Analysis

Space Implications

8.26 The employment growth figures associated with the continuation of past trends scenario has been converted to gross additional employment space requirements assuming typical ratios of jobs to floorspace for different B uses.

Table 8.5 Past Trends based Employment Space Requirements, 2009-2026

	2009-2026	
	Net Floorspace Needs (m^2)	Net Land Needs (ha)
Office space (B1)	471,600	118
Manufacturing space (B1c/B2)	145,000	36
Distribution space (B8)	147,300	37
Total B-class space	**764,00**	**191**

Source: NLP Analysis

Note: Totals rounded

8.27 The past trends based forecasts indicate significantly more B space being needed by 2026 (191ha), including over 100 ha of office space. This would require around 0.76 million m^2 of B class space over the next 17 years.

8.28 This scenario assumes that future employment growth rates carry on at the same average achieved between 1997 and 2007, and that future growth will replicate previous patterns. As outlined above, in a post-recession context, achieving this very substantial level of growth appears unlikely.

Scenario 3: Past Floorspace Trends

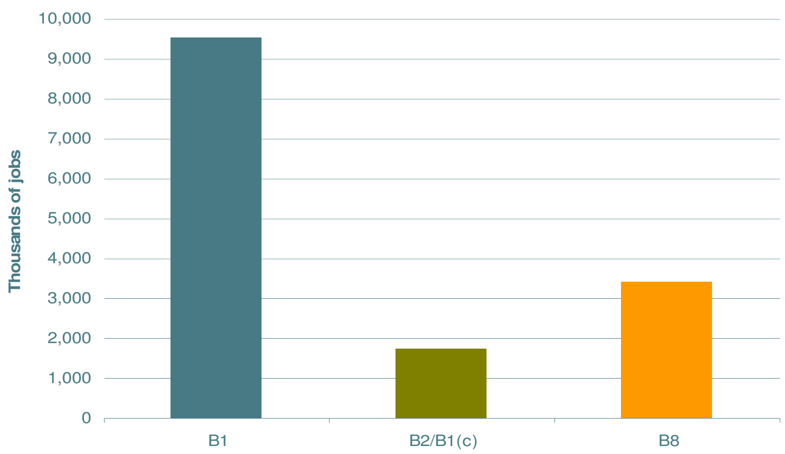
8.29 Because they reflect market demand and actual development patterns on the ground, long term take-up rates of employment land can provide an alternative basis for informing future land needs. Completions over a period such as 10 years or more should even out demand fluctuations over a business cycle and normally provide a reasonable basis for estimating future needs provided land supply has not been unduly constrained. Whereas employment forecasts show growth in net terms, past trends-based assessments take account of development that has made up for the redevelopment of employment sites and from the recycling of existing sites.

8.30 Comprehensive and consistent data on the take-up of employment land is not available across the former districts in Cornwall. Therefore, Valuation Office Agency (VOA) data on the net change in employment floorspace in the County over the period from 1998 to 2008 has been considered. This source is based upon changes in the amount and type of employment floorspace that is eligible for business rates. The figure for office space in this scenario is, however, likely to be an underestimate because it is based on past growth in commercial office space only.

Employment Change

8.31 The annual change over this period was 22,500 m^2, of which around half was commercial office space. The average annual gain of manufacturing space was 3,200 m^2 and of warehouses, 8,100 m^2. This broad pattern of change reflects that anticipated by Scenario 2. Assuming the floorspace to worker ratios discussed earlier, the implied employment growth is around 14,700 total jobs between 2009 and 2026, illustrated in Figure 8.4 below.

Figure 8.4 Employment Change 2009-2026 based on Past Take-up Rates



Source: VOA/NLP analysis

8.32 Whist this approach does not necessarily reflect directly the impacts of the recession, it is important to plan for growth and to adopt a strategy that can provide the basis for sustained well-being and prosperity within Cornwall. Indeed, adopting a strategy that is entirely focused upon current market conditions may therefore give rise to an unrealistic picture of future growth and, as such, may not provide an adequate basis for the employment land strategy that is needed at this time.

8.33 Accordingly, in seeking to plan for the provision of future employment land, a balance must be drawn between a rolling forward of past trends which might not reflect current and future circumstances and the need to identify sufficient land to meet long term development needs that reflect policy aspirations for increased prosperity throughout Cornwall.

Space Implications

8.34 For comparison purposes, the predicted future employment space requirement under this scenario is as set out in Table 8.6.

Table 8.6 VOA data based Employment Space Requirements, 2009-2026

	2009-2026	
	Net Floorspace Needs (m^2)	Net Land Needs (ha)
Office space (B1)	190,400	48
Manufacturing space (B1c/B2)	54,400	14
Distribution space (B8)	137,700	34
Total B-class space	**382,500**	**96**

Source: VOA/NLP analysis Note: totals rounded

8.35 This forecast lies between the Baseline and Employment Past Trends scenarios, with nearly 100ha of additional B class space required by 2026.

Scenario 4: Labour Supply

8.36 In a predominantly rural area with constraints on new land supply, it is useful to consider how many jobs, and hence how much employment space, would be needed to broadly match forecast growth of the County's resident workforce. Any significant increase of employment space beyond that amount could potentially lead to labour shortages or increase demand for new housing in the County, creating further pressures on land supply. It would also raise issues regarding sustainability and deliverability.

Employment Change

8.37 Based on ONS 2006 population forecasts, the predicted increase in the County's resident labour supply based largely on demographic change (2009 to 2026) is approximately 50,000 (economically active, working age residents), out of a total population rise of 109,000. Adjusting for likely out- and in-commuters, approximately 46,900 new residents will be seeking local jobs. Of these, some 30% or 14,200 would typically seek B class jobs[57], as set out in more detail in Table 8.7.

Table 8.7 Forecast Employment Change in Cornwall 2009-2026 Based on Labour Supply

	No. of Jobs		Change 2009-26
	2009	2026	
Business/financial services (B1)*	33,700	40,450	6,750
Manufacturing (B1c/B2)**	26,060	31,280	5,220
Distribution (B8)***	11,110	13,330	2,220
Total B-class Jobs	**70,870**	**85,060**	**14,190**
Jobs in All Sectors	**234,340**	**281,260**	**46,920**

Source: 2001 Census, ABI, NOMIS / NLP analysis
Notes: Total jobs including self-employed, * includes publishing and proportion of government offices, ** includes vehicle repair and some construction activities, *** includes parts of transport, communications sectors that use industrial land. Totals rounded

8.38 The above is broadly similar to Scenario 3 (Past Take-up) in terms of overall employment change and that B1 jobs are forecast to grow the most out of all B Class employment.

8.39 As mentioned previously, this scenario is based on ONS forecasts, which do not take account of policy aspirations for growth within the County. The Cornwall Council Housing Options Paper suggests four options for possible levels of housing growth and five distribution scenarios. The implications of the four growth options in terms of the resulting implied labour supply are set out in Table 8.8 below.

Table 8.8 Forecast Employment change Based on Labour Supply (Population & Housing Growth Options) 2009-2026

	No. of Dwellings	Total population change	Economically active working-age residents	Total B-class job requirement	Business/financial services (B1)	Manufacturing (B1c/B2)	Distribution (B8)
ONS 2006 Population Projections	N/A	109,000	49,710	14,190	6,750	5,220	2,220
Option A: Low Growth	45,000	104,560	47,680	13,610	6,470	5,010	2,130
Option B: Moderate Growth	55,000	127,790	58,270	16,640	7,910	6,120	2,610
Option C: High Growth	68,000	158,000	72,050	20,570	9,780	7,560	3,220
Option D: Even Higher Growth	80,000	185,880	84,760	24,200	11,510	8,900	3,790

Source: Cornwall Council Strategy Issues and Options/NLP Analysis

57 The proportions of B1, B1c/B2 and B8 jobs with respect to total employment have been estimated using ABI data.

Note: Total population change estimated by applying an average population of 2.32 (average household size in Cornwall in 2001 census) to each additional dwelling

8.40 This indicates that housing growth Option A results in a labour supply for B class jobs of 13,610, slightly lower than the ONS population projections. The remaining options result in increasingly larger labour supplies, with Option D identifying an increase of 24,200 B class workers in Cornwall to 2026.

Space Implications

8.41 As in Scenarios 1 and 2 above, the Labour Supply based scenario has been converted to gross additional employment space requirements assuming typical ratios of job to floorspace for the different B uses (Table 8.9).

Table 8.9 Labour Supply based Employment Space Requirements, 2009-2026

	2009-2026	
	Net Floorspace Needs (m^2)	Net Land Needs (ha)
Office space (B1)	135,000	34
Manufacturing space (B1c/B2)	161,700	40
Distribution space (B8)	88,900	22
Total B-class space	**385,700**	**96**

Source: 2001 Census, ABI, NOMIS / NLP analysis

Note: Totals rounded

8.42 The labour supply based forecasts indicate around 96 ha of B space required by 2026, which is in line with the VOA based forecast (Scenario 3). However, this forecast has a larger proportion of manufacturing space and smaller proportion of office space than the VOA based analysis.

8.43 However, this simple analysis ignores the possibility that providing more employment space than this could provide more local jobs and help reduce the scale of commuting by residents to some extent. Some residents will also take up existing jobs in the area that others have left (e.g. through retirement) and no additional space will be needed for these.

Other Factors

8.44 Given the differing pictures indicated by the employment-based estimates and past-trends, a range of other indicators have also been reviewed to inform a judgement on where the best estimate of future needs should lie. Some of these factors pull in different directions and a balance has to be drawn between them.

Recession

8.45 Trends in the national economy will clearly be a significant factor affecting future demand for employment space. The recent global recession will have a long term impact upon economic prosperity. While this study estimates employment space requirements over a 17 year period, over which short term fluctuations should even out, the past trend-based forecasts do not reflect this degree of slowdown and may need to be adjusted to reflect a less benign economic outlook than in the past. By contrast, the forecasts that were prepared in 2009 provide a pessimistic view which may not reflect the long term reality.

Business Registrations

8.46 Levels of new business registrations provide an indication of the number of new firms starting-up or expanding in the County, and this will influence the amount and type of employment space required in future. Growth of VAT registered firms in Cornwall overall has been below the South West regional average, although there is some variation with both the former North Cornwall and Carrick areas actually out-performing the regional average. This suggests some continuing growth in demand for additional employment space, particularly in certain areas as new firms start up although the amount of demand from this source could be relatively small in scale.

Vacancy

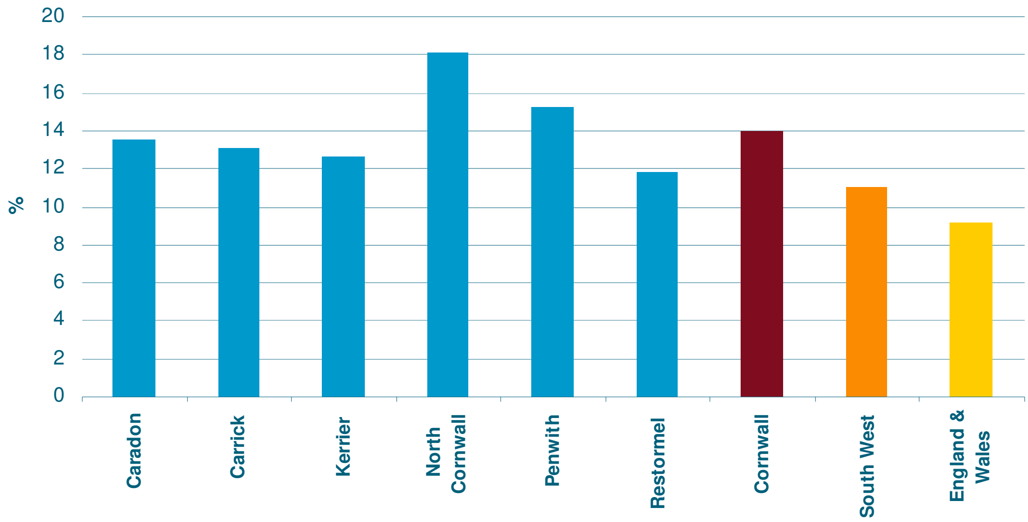
8.47 Vacancy levels and floorspace availability provide another indicator of the balance between current supply and demand for employment space. A typical vacancy rate in a normal market would be around 8-10%, to allow for movement and expansion of firms, and a choice of locations. Average vacancy rates for office (c.4%) and industrial (c.2%) space in Cornwall currently stand well below normal rates. This indicator suggests there may be a need to provide additional space in future to compensate for the relative shortage of space to offer firms a greater choice of premises. However, as there is no obvious shortage of land, this again highlights the need to ensure that workspace is delivered on undeveloped sites rather than more sites needing to be allocated.

Landless Growth

8.48 In addition, it is important to recognise that there is not always a clear cut relationship between employment change and employment land needs. The concept of landless growth refers to the creation of employment without a commensurate need to develop land to accommodate the additional employment. This is generally driven by increasing densities of development and/or increasing densities of employment, although there is limited evidence that this has occurred in Cornwall to any significant degree.

8.49 A more significant driver in Cornwall may be the role of homeworking. At the time of the 2001 Census, about 13% of the working-age population of Cornwall worked from home, higher than the regional and national average (Figure 8.5).

Figure 8.5 Proportion of Homeworkers, 2001



Source: 2001 Census/NLP Analysis

8.50 Although this is likely to have increased over the past decade, and may increase further with the wider availability of high speed broadband in the future, because someone works from home does not necessarily exclude them from also wanting access to more traditional employment premises as well. Many home workers use their home as a "base", but also rely on other locations for work space. The improving technological capabilities to allow efficient home-working is likely to increase its take-up in the future which may have some slight moderating effect on employment land needs, but because the majority of people still require some access to more traditional forms of workspace, this effect is expected to be modest.

Off-shoring

8.51 Other factors which could moderate future levels of employment space needed include the growing trend to relocate certain business operations to lower-cost locations overseas, often referred to as "off-shoring". The industries with the highest propensity for this have typically included communications, banking and finance, and some business services.

Competition

8.52 Competition for economic growth in Cornwall from other districts and larger sub-regional centres (e.g. Plymouth) could also constrain future demand and hence the scale of employment land provision. The relative supply of and demand for employment space in adjoining districts was noted in Section 5.

Growth Scenarios

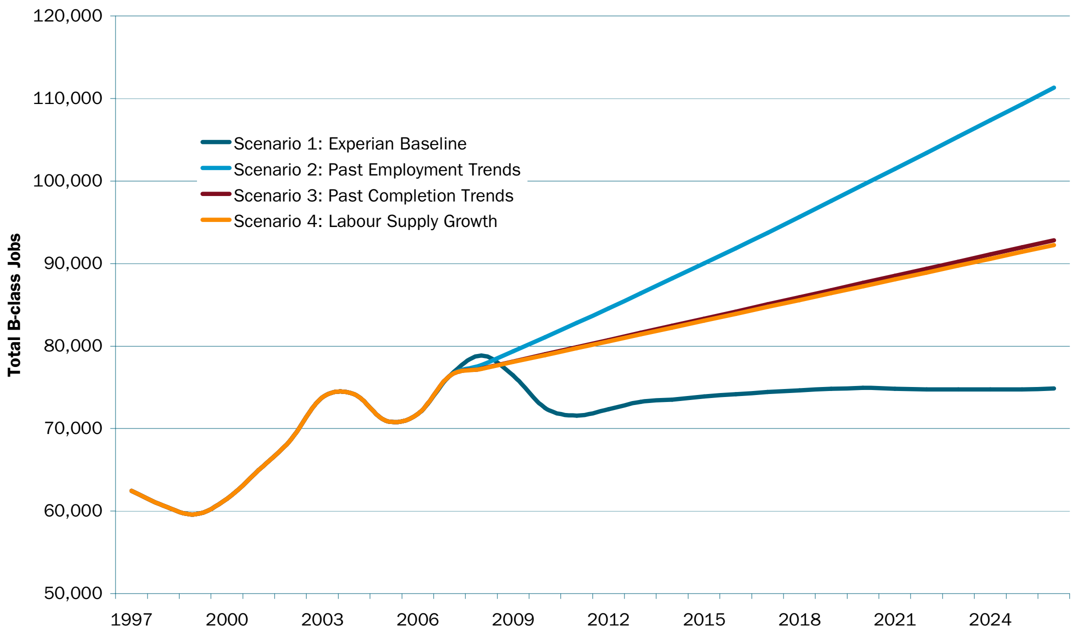
8.53 Drawing the above analysis together, some of these scenarios and other factors point in different directions, although all suggest a need for some additional employment land in Cornwall to 2026. Having regard to several different growth scenarios/estimates of future needs can help identify the potential range of employment land needs against an uncertain economic future and to help understand the implications of different assumptions on future demand.

Table 8.10 Growth Scenario Options

Scenario	Type	Scale of Growth
1	• Experian baseline projection (recession-based)	• Low
2	• "Roll forward" 1997-2007 employment growth rate	• High
3	• Past take-up of employment space	• Medium
4	• Labour Supply Analysis	• Medium

8.54 Taken together, the baseline (recession-based) and 1997-2007 past trend (high growth) scenarios effectively "book end" the range of overall quantum of employment growth that could be expected in Cornwall (Figure 8.6).

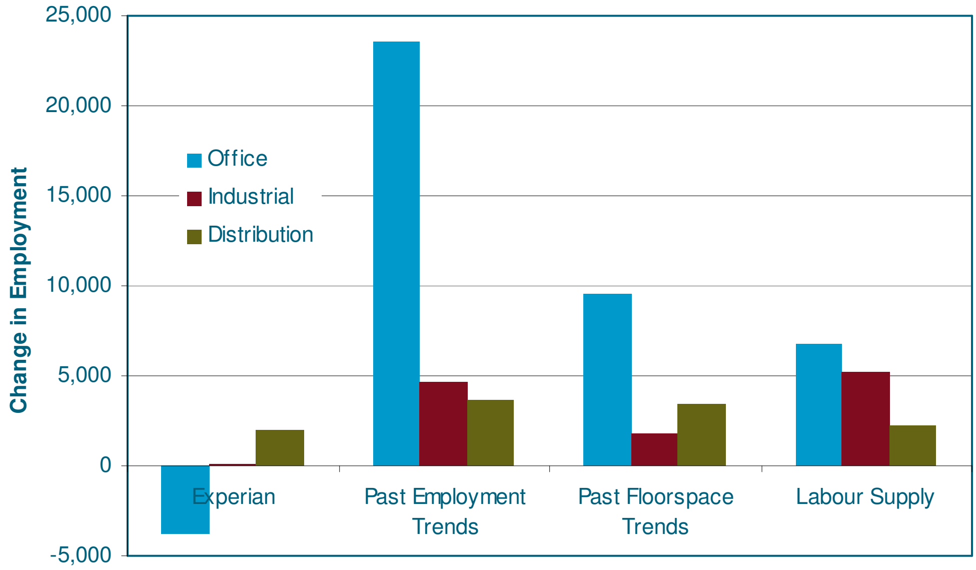
Figure 8.6 Total B-class employment levels under different growth scenarios



Source: Experian, VOA, ABI and NLP analysis

8.55 Figure 8.7 below outlines the change in B-class employment implied by the four scenarios considered above. The scenarios based on past take-up rates and demographic growth effectively lie between the baseline and past trend growth scenarios.

Figure 8.7 Change in B-class Employment by Scenario, 2009-2026



Source: NLP Analysis

8.56 Table 8.11 compares the space requirements arising under these four different estimates. This indicates a total space requirement varying between 84,700 m^2 and 764,000 m^2. There is clearly wide variation between the different estimates, reflecting the approach used to derive it, and a judgement has to be made as to the more probable picture of future growth in Cornwall.

Table 8.11 Comparison of Employment Land Requirements by Scenario

	Employment Land Requirement 2009-2026			
	Baseline Scenario (m^2)	Past Employment Trends (m^2)	Past Floorspace Trends (m^2)	Labour Supply (m^2)
Office space (B1)	- 74,600	471,600	190,400	135,000
Manufacturing space (B1c/B2)	4,100	145,000	54,400	161,700
Distribution space (B8)	80,600	147,300	137,700	88,900
Total B-class space	**84,700**	**764,000**	**382,500**	**385,700**

Source: NLP Analysis

Note: Totals rounded

Planning Requirement for Employment Land

8.57 To identify the amount of employment space that should actually be allocated, it is normal to provide some additional allowance on top of the initial estimate of needs. This reflects several factors:

a to provide a margin for error given the uncertainties in the forecasting process, and avoid under-provision;

b to allow developers and occupiers a reasonable choice of sites;

c to give a reasonable vacancy level that enables normal market movement and churn (as noted in Section 4), turnover of firms and upgrading of older premises;

d to give some flexibility and decanting space while older premises are redeveloped and new premises are coming forward; and

e to offset some allocated sites not coming forward and some redundant industrial sites not being suited to new employment uses.

8.58 In Employment Land Reviews elsewhere, an allowance of up to 50% has been added to the estimated land need figure to provide a safety margin. Other approaches have considered a margin equivalent to a certain number of years of past average take-up. For example, in the Restormel Employment Land Review, a margin equivalent to three years take-up was adopted. The level of the safety margin that is applied will depend upon the characteristics of the local economy and the level of local land supply. For Cornwall it is considered that a relatively large safety margin should be applied. The main reasons are:

a consultation has suggested that there are high levels of latent demand for workspace in the County (firms taking the decision to expand or take new premises only after they have seen new workspace constructed in the local area) meaning that demand levels are consistently under-reported;

b Cornwall has a number of small local employment land/premises markets where economic growth could be constrained unless sufficient levels of flexibility are allowed;

c given the reliance on a relatively small number of sites for future land supply in some areas and risk that some might not come forward as anticipated there are significant risks to supply without flexibility. The suitability of the existing employment portfolio was considered in detail in Section 7.

8.59 A failure to achieve an adequate level of choice and flexibility in employment land and premises could result in failing to meet reasonable economic requirements and thereby undermining the County's economic potential. In view of this, we recommend that a 40% safety margin should be applied to the figures set out above, which is equivalent to just about seven years of demand. This margin should only be applied to growth figures and not to employment losses. The resulting gross employment space requirements over the next 17 years to 2026 including this safety margin are summarised in Table 8.12.

Table 8.12 Gross Employment Floorspace Requirements 2009-2026

	Employment Land Requirement 2009-2026			
	Baseline Scenario (m^2)	Past Employment Trends (m^2)	Past Floorspace Trends (m^2)	Labour Supply (m^2)
Office space (B1)	- 67,100	660,300	266,600	188,900
Manufacturing space (B1c/B2)	5,700	203,200	76,200	226,400
Distribution space (B8)	112,800	206,200	192,800	124,500
Total B-class space	**118,600***	**1,069,700**	**535,600**	**539,900**

Source: NLP Analysis

Notes: Safety margin included except where figures negative. * total excludes forecast loss of office space. Totals rounded

8.60 Assuming an average plot ratio of 0.4, Table 8.13 broadly indicates the land requirements associated with these gross floorspace requirements. Manufacturing and distribution requirements, which use the same type of sites, can be combined into a requirement for industrial land. Varying the plot ratio assumption would clearly affect land requirements.

Table 8.13 Gross Employment Land Requirements, 2009-2026

	Employment Land Requirement 2009-2026			
	Baseline Scenario (ha)	Past Employment Trends (ha)	Past Floorspace Trends (ha)	Labour Supply (ha)
Office Land (B1)	-17	165	67	47
Industrial land (B2/B8)	30	102	67	88
Total B-class space	**30***	**267**	**134**	**135**

Source: NLP Analysis

Notes: * Total excludes forecast loss of office space. Totals rounded

Conclusions and Preferred Approach

8.61 In order to provide a meaningful and useful assessment of future employment land for Cornwall for planning purposes, it is necessary to derive a narrower estimate of requirements from the above four scenarios. Such an approach needs to take account of the need to plan for prosperity while ensuring the efficient use of land.

8.62 The Job Growth Baseline Scenario estimate of 30 ha is clearly too low for the whole county, representing an average of less than 4 ha per TTWA over the total 20 year LDF period. This is at odds with the three other scenarios based on past trends in job growth premises take-up and future labour supply growth. Providing only this amount of land would fail to provide sufficient workspace development opportunities to serve the local economy and could stifle potential growth. This scenario is rooted in a recession-based analysis forecast and perhaps does not take full account of the need to plan for recovery and future growth.

8.63 Conversely, the Past Employment Trends Scenario estimate of 251 ha is evidently too high. This view reflects the fact that job growth in Cornwall over the past decade has been relatively high, with unprecedented national rates of economic growth and high levels of European convergence and other funding support. Furthermore, the much higher requirement suggested by job growth trends, as opposed to workspace development trends suggests that much recent growth in sectors which traditionally use B-class space (e.g. homeworking, non-B class sectors) and/or workspace has been better utilised. Over-allocating land could potentially result in its inefficient use of land and also raises concerns with respect to the deliverability of use (based upon the balance between need for and supply of land). This might result in land that could be released for other uses being held back, resulting in less sustainable or suitable land being needed. Therefore, this level of employment allocation might be detrimental to the whole strategy. As has, to some extent, been the case in Cornwall in the past, it would be at risk of sending mixed messages about where to focus investment, with the result that supply of employment space becomes spread too thinly and consequently does not achieve sufficient critical mass in a smaller number of plan and market-led locations.

8.64 In contrast, the Past Take Up and Labour Supply scenarios both point to a requirement of around 135 ha for the County, which lies close to the middle of the “book-end” range identified above. These potentially represent the most reliable approaches because they combine both past trends (actual development rates, not employment growth) but are also forward-facing in taking account of the jobs required to match Cornwall’s future labour supply. In reaching a final overall quantum of employment land for Cornwall, it is necessary to balance past trends with ambitions for the future, ensuring growth in the post-recession economy.

8.65 On this basis, planning for an overall quantum of 150 ha of employment land for Cornwall is considered most appropriate and is recommended as the preferred approach at this point in time. This will allow for relatively unconstrained growth and balances the need for the provision of sufficient land against the importance of not over-allocating land that may have limited prospect of coming forward. It should be noted however that this is not intended to act as a ‘cap’ on the overall quantum of employment land to be provided and if possible, a higher amount of land should be delivered to the market, albeit that this appears unlikely to occur under current economic conditions. Windfall sites, especially town centre redevelopment opportunities which have not been considered in detail in this study will be important components of future supply, and would be in addition to this 150 ha figure.

Ultimately, it will be a judgement for the Core Strategy depending on the specific economic opportunities and site circumstances which exist in different locations, balanced against pressures from other land uses as well as other Core Strategy objectives such as housing requirements.

8.66 Having established the overall quantum of future employment land in Cornwall to 2026, it is necessary to apportion this requirement across the eight TTWAs split between office and industrial uses. Taking the split between office and industrial land first, the Experian job forecasts actually predict a decline in office space in future, indicating that all new development land should be for industrial use. However, this is at odds both with past trends and with emerging Council policies which aim to promote knowledge-based industries and office development in some locations. Development rates over the last decade (98-08) indicate that the annual increase in office floorspace was very similar to that of industrial and as a result, the total 150 ha requirement has been split equally between office (75 ha) and industrial land (75 ha). This has then been disaggregated by individual TTWA using floorspace stock levels as shown in Figure 1.1. It should, however, be noted that the spatial and sector breakdown has considerable potential to be altered by varying market pressures and demand, as well as unforeseen development opportunities and site circumstances.

Table 8.14 Gross Employment Land Requirements, 2009-2026

Travel To Work Area	Office Land (B1)		Industrial land (B2/B8)		Total (ha)
	% of Total	Net Land Needs (ha)	% of Total	Net Land Needs (ha)	
Bude	3%	2	3%	2	**4**
Falmouth & Helston	8%	6	11%	8	**14**
Launceston	4%	3	8%	6	**9**
Penzance	10%	8	10%	7	**15**
Saltash & Torpoint	3%	2	9%	7	**9**
St Austell	28%	21	32%	24	**45**
Truro	41%	30	24%	18	**49**
Wadebridge	3%	3	4%	3	**6**
Total	**100%**	**75**	**100%**	**75**	**150**

Source: NLP analysis Note: Totals rounded

9.0 Demand and Supply Balance

9.1 This section draws together the forecasts of future employment needs and the appraisal of current and undeveloped supply of employment sites to identify any 'gaps' in the portfolio or surpluses of land, in both quantitative and qualitative terms. It also considers how any new space could be broadly distributed across the county's TTWAs.

Quantitative Balance

9.2 The previous section identified a need for between 30 ha and 267 ha of employment land, depending on the scenario considered and including a reasonable safety margin to provide adequate choice and flexibility, but suggests a preferred level of around 150 ha for planning purposes to 2026.

9.3 In terms of the current available land supply, the amount of current undeveloped employment land in the County (some with extant planning permission but not yet started) available to help meet this future need was identified at approximately 206 ha in Chapter 7. This is broadly equivalent to about 37 years of supply at past rates of development in the County assuming a 0.4 plot ratio for new development.[58]

9.4 A broad comparison of estimated demand against identified supply as shown in Table 9.1 implies that, except under the continuation of past trends scenario, the County as a whole would appear to have more than enough employment space in quantitative terms up to 2026, including for the preferred scenario.

Table 9.1 Demand/Supply for Employment Land by TTWA 2009-2026

Scenario	Baseline (ha)	Past Employment Trends (ha)	Past Take Up Trends (ha)	Labour Supply (ha)	Preferred Scenario (ha)
Requirement for B Class land	30	267	134	135	150
Available employment land	206				
Surplus (+)/ Shortfall (-)	**+ 176**	**- 61**	**+ 72**	**+ 71**	**+ 56**

Source: NLP Analysis

9.5 However, the location and type of workspace the sites can provide must also be considered. Table 9.2 compares estimated demand (based on the preferred scenario estimate of 150ha) with the available employment land supply (within the plan period) in each TTWA. This suggests in purely quantitative terms that there is a shortfall of employment land in the Bude, Falmouth & Helston, Penzance and Truro TTWAs, and an oversupply in the remainder, particularly in St Austell and Saltash & Torpoint.

[58] Based on a development rate of 22,500 sq m pa 1998-2008, as noted in Section 7

Table 9.2 Demand/Supply for Employment Land by TTWA 2009-26

	Requirement for B Class land (ha)	Available employment land (ha)	Surplus (+)/ Shortfall (-) (ha)
Bude	4	0	- 4
Falmouth & Helston	14	12	- 2
Launceston	9	17	+ 8
Penzance	15	12	- 3
Saltash & Torpoint	9	29	+ 20
St Austell	45	81	+ 36
Truro	49	43	- 6
Wadebridge	6	13	+ 7
Total	**150**	**206**	**+ 56**

Source: NLP Analysis Note: totals may not sum due to rounding

Needs of Different Employment Uses

9.6 However, not all sites are suitable for all types of B-class use. Potential combinations of supply of employment space for both industrial and office uses have therefore been compared with estimated requirements for these uses.

9.7 Looking first at office uses, in Table 9.3, the available land supply has been considered in terms of the total maximum and minimum that might be developed for office uses (i.e. depending on the proportions of office mixed-use development on land categorised as "office/industrial" or "office/workshop").

Table 9.3 Demand/Supply for Office Employment Land by TTWA 2009/2026

	Requirement for office land (ha)	Max.[1] Available office land (ha)	Surplus (+)/ Shortfall (-) (ha)	Min.[2] Available office land (ha)	Surplus (+)/ Shortfall (-) (ha)
Bude	2	0	-2	0	-2
Falmouth & Helston	6	12	+6	5	-1
Launceston	3	0	-3	0	-3
Penzance	8	3	-5	0	-8
Saltash & Torpoint	2	17	+15	0	-2
St Austell	21	65	+44	6	-15
Truro	30	16	-14	4	-26
Wadebridge	3	13	+10	0	-3
Total	**75**	**127**	**+52**	**16**	**-59**

Source: NLP Analysis

(1, 2) For max office scenario assumes all land categorised as office/industrial and rural office/workshop is developed for office uses. For max industrial scenario assumes all land categorised as office/industrial and rural office/workshop is developed for industrial uses.

9.8 This suggests that there could be an overall surplus supply of office land across the County, if all “office/industrial” and “office/warehouse” land is developed for office uses. However, this is unlikely, and even under this maximum office yield scenario there would still be deficiencies in four TTWAs – Bude, Launceston, Penzance and most significantly, Truro, Redruth & Camborne. By contrast, if none of the potentially mixed-use land was to be developed for offices, then there would be a substantial undersupply of office land both across the County and in all TTWAs, with particularly acute shortages in St Austell, Truro/CPR and Penzance.

9.9 A similar assessment has been carried out for industrial uses, as set out in Table 9.4. Again, estimates of the surplus/shortfall of industrial land have been provided for the maximum and minimum amount of industrial development that might take place on mixed-use (“office/industrial” and “rural office/workshop”) land. Under both extreme scenarios, an oversupply of industrial land is identified across the County, although the oversupply is clearly far more substantial for the “maximum” supply scenario. In terms of individual TTWAs, shortfalls are identified for Bude and Falmouth/Helston under both scenarios, and also in St Austell and Wadebridge under the “minimum” industrial development scenario.

Table 9.4 Demand/Supply for Industrial Employment Land by TTWA 2009/2026

	Requirement for industrial land (ha)	Max. Available industrial land (ha)	Surplus (+)/ Shortfall (-) (ha)	Min. Available industrial land (ha)	Surplus (+)/ Shortfall (-) (ha)
Bude	2	0	-2	0	-2
Falmouth & Helston	8	7	-1	0	-8
Launceston	6	17	+11	16	+10
Penzance	7	12	+5	9	+2
Saltash & Torpoint	7	29	+22	12	+5
St Austell	24	74	+50	15	-9
Truro	18	39	+21	27	+9
Wadebridge	3	13	+10	0	-3
Total	**75**	**196**	**+121**	**79**	**+4**

Source: Source: NLP Analysis

(1, 2) For max office scenario assumes all land categorised as office/industrial and rural office/workshop is developed for office uses. For max industrial scenario assumes all land categorised as office/industrial and rural office/workshop is developed for industrial uses.

9.10 Clearly, the above two assessments cannot be considered in isolation, as the development of the mixed-use land for either entirely office or entirely industrial use will reduce the availability of land for the other. With that in mind, Table 9.5 assumes that the development of such land will proceed on a 50/50 basis for office and industrial uses. This identifies an overall shortfall of office land of 7 ha across the County, with a particularly large shortfall in Truro. Only the Wadebridge, Saltash & Torpoint and St Austell TTWAs are identified as having enough office land. By contrast, this assessment identifies an overall surplus of 58 ha of industrial land across the County, particularly in St Austell, Truro, Saltash and Torpoint and Launceston TTWAs. Only Bude and Falmouth/Helston are identified as having (small) shortfalls in industrial land.

Table 9.5 Demand/Supply Balance by TTWA to 2026

TTWA	Offices				Industrial			
	Requirement to 2026 (ha)	Available supply (ha)	Surplus (+)/ Shortfall (-) (ha)	Overall Balance	Requirement to 2026 (ha)	Available supply (ha)	Surplus (+)/ Shortfall (-) (ha)	Overall Balance
Bude	2	0	- 2		2	0	- 2	
Falmouth & Helston	6	6	0		8	6	- 2	
Launceston	3	0	- 3		6	16	+ 10	
Penzance	8	2	- 6		7	10	+ 3	
Saltash & Torpoint	2	9	+ 7		7	20	+ 13	
St Austell	21	36	+ 15		24	45	+ 21	
Truro	30	10	- 20		18	33	+ 15	
Wadebridge	3	6	+3		3	6	+3	
Total	**75**	**68**	**- 7**		**75**	**138**	**+ 53**	

Source: NLP analysis

Note: Assumes that land categorised as mixed office/industrial is developed 50:50 for offices/industrial. Totals may not sum due to rounding

9.11 Given there is a predicted large oversupply of industrial space, as much as 53 ha, it might be considered that any potential shortfall in office supply under such circumstances might be met by bringing forward general mixed-use employment sites with a higher proportion of office space than the 50% assumed. However, it is not always possible for the planning system to have this level of control over the type of development coming forward on sites, particularly if there is to be a general presumption in favour of development in order to encourage expansion of the premises stock and employment growth. Furthermore, not all of the surplus supply might be of a suitable type or location for office development. In addition, this quantitative balance does not appear to reflect the current market position in the county which is one where office developments are generally letting slowly whereas the industrial market is extremely tight both in terms of development land and completed modern premises. As a result, a 50% figure for office development is probably already higher than the realistic proportion that the market is likely to support.

9.12 Nonetheless, based on this quantitative analysis Cornwall appears likely to have an overall shortfall of office employment land and a surplus of industrial land. The extent of the office shortfall will partly depend on the proportion of “office/industrial” land being developed for office uses, but importantly a significant amount of office stock could be delivered through the intensification and redevelopment of town centre sites which have not been assessed during the course of this study and are not included in the supply figures. The available “office” and “office/industrial” land is primarily focused in Saltash and Torpoint, St Austell and Truro and as such there is an undersupply of office land in all of the other TTWAs. The picture for industrial supply is substantially more positive across the County, although Bude is expected to experience modest shortfalls.

9.13 It should be emphasised that the stated demand requirements for each TTWA are indicative, set against the overall 150 ha requirement identified in section 8. As noted earlier, this is intended as a minimum for planning purposes, and ultimately it will be a judgement for the Core Strategy to set the quantum of land to be allocated in each TTWA depending on the specific economic considerations and site opportunities which exist in different locations.

Worst-case Supply Scenario

9.14 As detailed in section 7, a “worst-case” supply scenario has also been tested. This discounts available supply by a further 20%, reflecting Cornwall Council’s current estimate of the potential rate of non-delivery.

9.15 Even with a reduced supply, this scenarios results in an overall surplus of employment land in the County as a whole, albeit considerably smaller (7 ha), with a shortage of office space compensated for by a surplus of industrial land (Tale 9.6). The surplus or shortage position in most of the TTWAs does not change significantly compared to the non-discounted scenario above, although clearly the scale of surpluses is generally lower, and existing shortages generally larger, under this “worst-case” supply position.

Table 9.6 Demand/Supply Balance assuming "worst-case" supply

TTWA	Offices				Industrial			
	Requirement to 2026 (ha)	Current available supply (ha)	Surplus (+)/ Shortfall (-) (ha)	Overall Balance	Requirement to 2026 (ha)	Current available supply (ha)	Surplus (+)/ Shortfall (-) (ha)	Overall Balance
Bude	2	0	- 2	↓	2	0	- 2	↓
Falmouth & Helston	6	5	- 1	↓	8	5	- 3	↓
Launceston	3	0	- 3	↓	6	13	+ 7	↑
Penzance	8	1	- 7	↓	7	8	+ 1	↑
Saltash & Torpoint	2	7	+ 5	↑	7	16	+ 9	↑
St Austell	21	28	+ 7	↑	24	36	+ 12	↑
Truro	30	8	- 22	↓	18	26	+ 8	↑
Wadebridge	3	5	+ 2	↑	3	5	+ 2	↑
Total	**75**	**55**	**- 20**	↓	**75**	**110**	**+ 35**	↑

Source: NLP analysis

Five-year Land Supply

9.16 Although this does not necessarily directly apply to local authorities in the South West, good practice guidance on employment land reviews in the South East region emphasises the need to ensure a rolling five year supply of employment land, similar to the 5-year housing land requirement which is required by PPS3. A 5-year time horizon for the supply of employment land can help in ensuring that there is enough immediately developable supply in order to capture economic growth without looking too far into the future where uncertainties around demand and supply can hinder effective planning.

9.17 If demand for B-class employment space were to be spread evenly over the 17-year period (2009-2026) considered in the forecasts of future requirements, then 29% of the total requirements for space would fall in any five year period[59]. However, in the aftermath of the worst national economic recession in 60 years , it is expected that a period of slower, below-trend, economic growth will prevail for a number of years. As a result, it would normally be sensible to assume that there is likely to be a lower rate of growth in the earlier part of the plan period. However, in Cornwall, Convergence funding is likely to have a large influence until at least 2015, and the demand for land may therefore actually

[59] The 29% figure is derived from dividing the 5 years period by the length of the plan period (17 years).

be higher in the earlier part of the plan period. As a result, the proportion of demand falling within the next five years has been increased to one-third of the total (33% as opposed to the 29% indicated if it was evenly spread over the period). Based on the preferred demand estimate this indicates a requirements for approximately 31 ha of office land 19 ha of industrial land (50 ha in total) within the 2009-2014 period.

9.18 Indications from the assessment of the deliverability of undeveloped sites detailed in section 7 are that the five year supply of office premises is in the range of 11 and 59 ha, whilst the supply of industrial premises is between 40 and 88 ha, depending on the split of office/industrial premises on mixed-use sites. Across Cornwall, there is estimated to be around 98 ha of land deliverable within the next five years which is significantly more than the 50 ha required. However, the break-down by type of space by TTWA is shown in Table 9.7 (note that this assumes a 50/50 split between office and industrial accommodation on mixed-use sites) and highlights a much more spatially varied picture.

9.19 The demand/supply picture within regard to industrial space in the next five years is very similar to that over the plan period as a whole (shortages only in Bude TTWA). However, for office space the five year land supply picture is actually more positive than that over the plan period as a whole, although Bude, Launceston, Penzance and Truro/CPR still have shortages. What this may also highlight is that particular attention may been to be given to identifying and bringing forward office sites towards the end of the plan period.

Table 9.7 Five year demand/supply balance by type of space and TTWA

TTWA	Offices				Industrial			
	Five year requirement (ha)	Five year available supply (ha)	Surplus (+)/ Shortfall (-) (ha)	Five year Balance	Five year requirement (ha)	Five year available supply (ha)	Surplus (+)/ Shortfall (-) (ha)	Five year Balance
Bude	0.7	0.0	- 0.7	↓	0.7	0.0	- 0.7	↓
Falmouth & Helston	2.0	6.0	+ 4.0	↑	2.6	5.8	+ 3.2	↑
Launceston	1.0	0.1	- 0.9	↓	1.9	3.1	+ 1.2	↑
Penzance	2.6	0.9	- 1.7	↓	2.5	3.2	+ 0.7	↑
Saltash & Torpoint	0.8	2.5	+ 1.7	↑	2.2	10.8	+ 8.6	↑
St Austell	7.0	10.6	+ 3.6	↑	8.0	19.7	+11.7	↑
Truro	10.2	8.9	- 1.3	↓	6.1	16.5	+10.4	↑
Wadebridge	0.9	5.3	+4.4	↑	1.0	5.3	+4.4	↑
Total*	**25**	**34.4**	**+ 9.4**	↑	**25**	**64.5**	**+39.5**	↑

Source: *Note: Totals may not sum due to rounding

Qualitative Factors and Locational Distribution of Employment Space

9.20 The quantitative requirements described above provide an indication of the overall quantum of employment land demand and supply in each TTWA, but these must also be considered against any qualitative factors such as particular types of space or locations which are in particular demand or have a shortage of supply. This section examines these factors for each TTWA by drawing on the information and commentary contained in sections 5 and 6.

9.21 There are also a number of County-wide considerations, including:

a the assessment of a site's deliverability has primarily been based on physical constraints to development. However, even if a site is capable of being delivered this does not automatically mean that space will come forward, particularly given the current depressed state of the commercial property market and wider economy. As a result, any quantitative oversupply of land should be treated with caution;

b undeveloped land comprising extensions to existing industrial estates or other employment locations that are able to build on the market visibility and critical mass of a current site may have an increased likelihood of being delivered than entirely new sites;

c demand and supply conditions are likely to change significantly in some areas as proposed developments go ahead, as detailed in section 6. In particular, the proposed eco-town in St Austell and development at Newquay Cornwall Airport could have county-wide implications; and

d there will need to be a degree of over-provision across the county as a lack of choice of employment land in some areas could have a significant detrimental impact on economic development in the area and therefore the quality of business and employment opportunities on offer .

Bude

9.22 As the only major settlement within the TTWA, Bude-Stratton will continue to be the main focus for future land and premises demand. Although the quantitative assessment shows a shortfall of 2 ha of office land, the small-scale nature of B1(a/b) premises requirements indicates that any increase in demand could be met through conversions and/or small scale extensions of existing premises, and it is unlikely that there would be enough demand in this area for a dedicated office/business park. There is also forecast to be a 2 ha shortfall in industrial space, and it is already reported that the market is very tight in the area. Given the remoteness of this TTWA, it would not be desirable for these needs to be met elsewhere in the County. Therefore, additional industrial land requirements would probably best be met through further extensions to existing industrial estates rather than the opening up of an entirely new site (e.g. an extension to the Bude-Stratton businesses park) which could accommodate industrial and hybrid (industrial/office) development.

Falmouth and Helston

9.23 The “worst-case” supply scenario indicates a potential shortfall of around 1 ha of office land in this TTWA, and a 3 ha shortage of industrial land. However, the Helston and Falmouth markets are relatively self-contained and have little overlap in terms of commercial premises demand. Both therefore have some demand for additional industrial (and to a lesser extent office) premises, although in Helston this can be met relatively easily though the development of the Helston Business Park site.

9.24 This overall TTWA position could change significantly depending on the precise mix of office and industrial space which is brought forward on sites such as Helston Business Park, especially as this also scores the highest (in terms of quality) of all the undeveloped supply within the TTWA. The other major source of supply is an extension to the Kernick Industrial Estate which is of average quality. This could potentially provide some office accommodation close to Falmouth (which is the focus for office demand within the TTWA), although it may be preferable in market terms to open up a new site, similar to Falmouth Business Park, close to the Falmouth-Penryn conurbation. It is also understood that there is potential for workspace to be developed as part of the Port of Falmouth Masterplan, although this has not been included in the Council’s site assessment process and therefore included within the supply. Such space could also potentially contribute to meeting the current shortfall in office land in the TTWA.

Launceston

9.25 As with Bude, the vast majority of demand in this TTWA will be focused around its only significant centre - Launceston - which is already a successful employment location. The quantitative assessment gives a 3 ha shortfall of office land and a 10 ha surplus of industrial land if all undeveloped supply comes forward. However, this relies heavily upon a 9 ha site at Badash Farm being developed, without which the balance will potentially be much tighter. Furthermore, the local industrial market is relatively tight in Launceston, suggesting that a higher level of supply may be needed.

9.26 As in other areas, the small-scale nature of B1(a/b) office premises requirements indicates that any increase in demand could be met through conversions and/or small scale extensions of existing premises, and it is unlikely that there would be enough demand in this area for a dedicated office/business park. However, there could be some potential to deliver offices as a discrete part of an industrial scheme on currently available industrial land (particularly extensions to either Scarne or Pennygillam Industrial Estates) if a suitable location could be found.

Penzance

9.27 A large 6 ha shortfall of offices is forecast in this TTWA, although there is a 3 ha surplus of industrial land. This scale of office shortfall suggests the need for a new office site within the TTWA, most likely at Penzance where demand within the TTWA is focused, although feedback from agents does not suggest that this scale of office provision is justified given current and historic levels of demand. Furthermore, there do not appear to be any significant economic drivers which could change this situation, particularly with the aspirations to create high quality office product as part of the CPR regeneration plans which could attract demand away from Penzance. As a result, this quantitative shortfall may be overstated. However, there may still be justification for a small dedicated new office site if a suitable location can be found, preferably close to both the town centre and A30. Potential for offices to be delivered on industrial land in the TTWA could also be considered.

9.28 The industrial land surplus also heavily depends upon around 9 ha at St Erth including 6 ha which is only likely to become available for delivery towards the end of the plan period. Indeed, the “worst case” supply assessment only gives a surplus of 1 ha. As a result, there may be a risk that the forecast surplus of industrial land is not as great as the current quantitative balance suggests, although there is unlikely to be a need for additional sites here given the relatively low level of requirement.

Saltash and Torpoint

9.29 The vast majority of demand for both office and industrial in the TTWA is likely to be focused on the town of Saltash. A lower level of requirement is likely to be necessary for Callington, whose market is more local, whilst Torpoint and the rural area are likely to only support very small needs. At present the undeveloped supply appears to reflect this distribution relatively well, with the majority at Saltash (on the West Carkeel Services site), a reasonable supply at Moss Side in Callington and a smaller amount at Trevol in Torpoint.

9.30 The qualitative assessment identifies a surplus of both office (7 ha) and industrial (13 ha) land within this TTWA. However, over 11 ha of the supply comes from the allocated West Carkeel Services site, which is only likely to be available for development in the longer-term. If this were not to come forward, the surpluses of industrial and office land would be much reduced. This imbalance could be overcome by encouraging the delivery of office space on either existing or undeveloped industrial employment land, particularly on small, segregated schemes in high-profile locations close to the A38. However, given the overall size of the surplus and the generally good quality of sites in this TTWA, it appears that an entirely new site would not be necessary.

St Austell

9.31 Overall, there is a surplus of 15 ha of office land in this TTWA, and a 21 ha surplus of industrial land, although under the “worst-case” scenario this is reduced to 7 ha for office and 12 ha for industrial. This situation could be altered significantly by the precise mix of development that comes forward on large mixed-use sites such as the Clay Country eco-town (20 ha), East of Charter Way, Liskeard (11.5 ha) and Moorland Business Park, Indian Queens (3.5 ha). For example, if Charter Way and Moorland Business Park came forward only for industrial uses, the office surplus would be negated, and if no office space comes forward on any mixed-use sites in the TTWA there could be as little as 3 ha of supply over the plan period, which would result in a shortfall of 18ha against requirements. This highlights the need to encourage office development to come forward on such mixed-use sites, or if this does not occur, encourage the redevelopment of existing industrial premises for office use in suitable locations (primarily the centres of Newquay, St Austell and Liskeard). The supply of office space will thus need to be carefully monitored and managed, and if necessary, sites could be allocated purely for office uses.

9.32 It should also be noted that this TTWA is the largest of all those in the County and cuts across a number of different market areas with varying requirements and demand factors. As such, all of the main settlements in the TTWA (Newquay, St Austell, Bodmin and Liskeard) will need a degree of provision, although market demand for industrial space is particularly focussed on sites close to the A30 such as Indian Queens.

Truro, Redruth and Camborne

9.33 Overall, this TTWA is forecast to have a shortage of 20 ha of office land (increasing to 22 ha in the "worst-case" scenario) and a surplus of 15 ha of industrial land over the plan period (decreasing to 8 ha under the "worst case"). However, the markets of Truro and the CPR conurbation are rather different in terms of their demand characteristics despite their close proximity. The Truro market is particularly tight for both office and industrial premises, and it is one of the few locations in which speculative office development has proved viable within Cornwall in recent years. As a result, land allocations (which are primarily for private-sector development), particularly for offices, should be focused here as opposed to the CPR conurbation where demand is more focused on industrial uses, notwithstanding the ambitions to create some high quality office product there as part of the CPR regeneration plans.

9.34 In general, the available undeveloped land is currently located in CPR with the three largest sources – Treleigh (9 ha), Tolvaddon (10 ha) and Hallenbeagle (15 ha) – all being located there, as opposed to in Truro where there is limited available land. Whilst overprovision within CPR may be encouraged to support regeneration, the overall shortage of office and industrial space in the TTWA as a whole would ideally be met by allocating some new land at Truro, perhaps as part of any planned urban extension as part of the town's growth point agenda or through the intensification of city centre sites providing that transport/parking issues can be resolved.

Wadebridge

9.35 There is forecast to be a surplus of both office and industrial land in this small TTWA both in the short and long term due to a number of development sites, primarily around Wadebridge town itself. However, through the site assessment process it was identified that at least two of the short-term sites are subject to current planning applications which include non B-class uses. Thus, whilst there is expected to be an overall surplus of land within this TTWA, care should be taken to ensure that there is a deliverable supply of land to cater for needs across the plan period.

Conclusions

9.36 The current available undeveloped land supply has been identified as approximately 206 ha which is broadly equivalent to about 37 years of supply at past rates of development in the County, assuming a plot ratio of 40%. Comparing this to estimated demand shows that, except under the continuation of past employment growth trends scenario, the County would appear to have more than enough employment space in quantitative terms up to 2026, including for the preferred scenario. However, this assumes that all potentially available supply delivers floorspace within the plan period, and is attractive to developers/occupiers, which may not be realistic. There may also be additional (particularly office) floorspace which can be delivered on redeveloped and intensified town centre sites which have not been assessed through this study and on other “windfall sites”. These sites should be encouraged to deliver space where appropriate, and the 150 ha demand figure should be seen as a broad quantum for planning purposes rather than a ‘cap’.

9.37 Based on the preferred demand scenario there is a shortfall of employment land in the Bude, Falmouth/Helston, Penzance, Truro/CPR and Wadebridge TTWAs and an oversupply in the remainder, particularly in St Austell and Saltash/Torpoint. However, qualitative considerations (including current market conditions and expected economic drivers) mean that in many locations, the stated quantitative oversupply and balance between office and industrial uses should be treated with some caution, particularly given concerns over deliverability.

10.0 The Non B Class Sectors

10.1 Whilst the primary focus of this study is on B Class uses, PPS4 also requires consideration of non-B Class uses which generate employment. This section considers the employment potential sectors not predominately occupying office or industrial space as far as practicable, and indicates their broad future requirements for land and the potential risk that they would result in pressure for the release of B Class land and premises.

10.2 The non-B uses considered in this section are those that generate employment, wealth or economic activity as defined by PPS4; uses that do not provide significant employment (e.g. churches) are excluded. This study focuses on the broad non-B sectors comprising tourism and leisure, health, education, retail, public administration, construction, transport, agriculture and fishing, sports facilities and minerals, waste and electricity. Below this sector level, data on individual uses is not readily available or reliable. Some individual job generating uses, such as construction or public administration, will either be covered within one of these broad sectors or under the B Class uses. No other sectors or individual uses were identified during the course of this study as requiring specific consideration here. For reference, Appendix 6 details the relationship of specific uses to the Experian and Annual Business Inquiry sectors used elsewhere in this report.

10.3 It is important to note that the job and space requirements of these sectors are usually estimated quite differently from B Class uses. For example, schools are planned for based on forecast numbers of children and capacity in existing provision; a new hospital or university is likely to have a quite specific land requirement not directly related to job numbers. Similarly, many retail or leisure uses will locate within mixed-use schemes or in locations of the operator's choice rather than on specific allocated sites. It should be emphasised therefore that the analysis contained in this section provides a broad view of each sector and its growth within the scope of this study, but that more detailed analysis will be required as part of other evidence base inputs to the LDF.

Methodology

10.4 The current provision and job growth and space requirements estimated for these sectors are based on a number of different factors and sources, depending on the sector. These include employment forecasts by Experian, specific Council and other studies relating to particular sectors, classified business listings and discussions with Council officers and other relevant providers such as the Primary Care Trust and Visit Cornwall.

10.5 An underlying factor relating to many sectors is the likely level of population and housing growth in the County. As discussed in Section 4, Cornwall's population is forecast to increase by 23% to 653,400 in 2026.[60] However, much of this growth will be driven by a rise in the number of elderly people, with the number of people aged over 65 forecast to increase by 53% during this period. By contrast, Cornwall's 0-19 age population is forecast to increase only by 15% to 2026. The implication of this is that by 2026, Cornwall's population structure would be driven by the very high proportion of elderly people (Table 10.1).

Table 10.1 Cornwall's Changing Population Structure

Broad Age Groups	Population Structure (% of total population)	
	2008	2026
Children (0-19)	17.18	16.40
Working Age (20 – 64)	57.87	52.7
Older Persons (65+)	24.95	30.9

Source: 2008-based sub-national population projections

10.6 This change in population structure will have substantial implications in terms of the demand for services and resources. The trend towards a more elderly local population is expected to continue into the longer term such that by 2033, 33% of Cornwall's population will be over the age of 65.

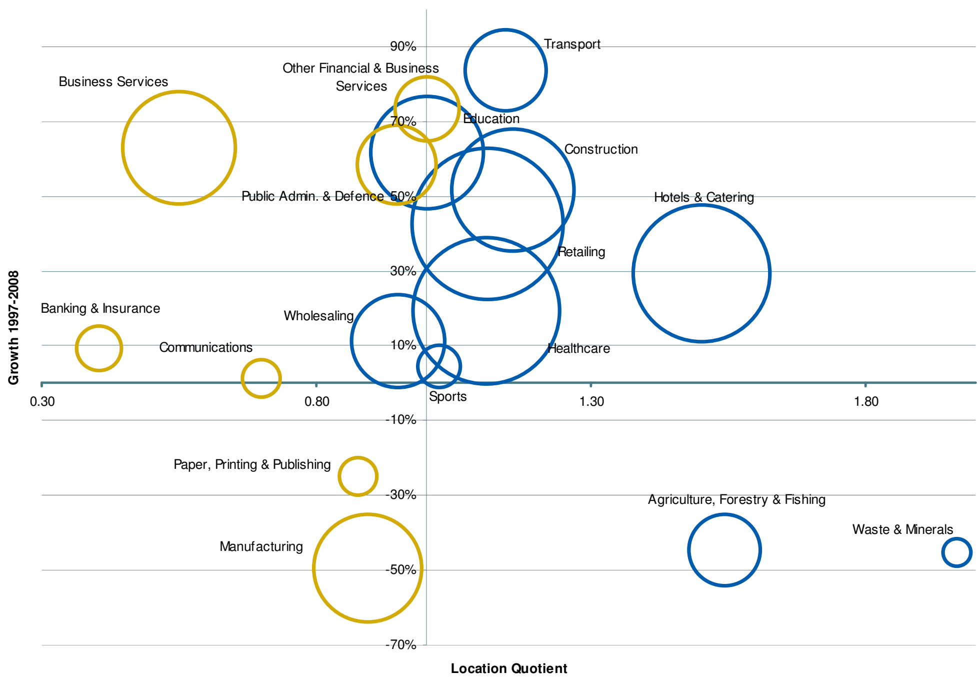
10.7 These population projections do not take account of the Council's policy aspirations for growth (discussed in Section 8), or the proposed eco-town (Section 6). Clearly, the policy direction ultimately pursued will have significant implications for the future employment and land requirements of the County.

Overview

10.8 Figure 10.1 below shows the location quotient of the main employment sectors in Cornwall represented by 'bubbles'. Sectors in the right hand half of the graph are over-represented compared to the South West average. Where sectors are over-represented in terms of jobs, it indicates a concentration of activity that suggests Cornwall offers some competitive advantages in these sectors. Retailing, construction, transport, healthcare hotels & catering, agriculture and waste and minerals are all sectors which are represented in higher concentrations in Cornwall than the south-west average.

[60] ONS 2006-based sub-national population projections

Figure 10.1 Location Quotient/Job Growth of Cornwall Sectors



Source: Experian, 2009/Annual Business Inquiry/NLP analysis

10.9 In addition, the size of the bubble indicates the current scale of Cornwall jobs in that sector while the level of job growth from 1997-2008 is indicated by how high or low the bubble appears. Those edged in gold indicate sectors which are primarily B Class in nature while those edged in blue indicate non-B Class sectors. This highlights a vibrancy in most of the non-B Class sectors and indicates that, compared to the South West, Cornwall has above average concentrations of non-B Class sectors and that historically, most of the growth sectors have been non-B activities. Whilst there has been some decline in agriculture and waste & minerals, these are both relatively small sectors in terms of the number of jobs they support.

10.10 Similarly, the Experian data indicates that employment in non-B Class uses in Cornwall is high, currently accounting for some 70% of all jobs and forecast to rise slightly to 71% by 2026. Across the TTWAs a similar pattern emerges; Wadebridge has the highest proportion of non-B employment at 75%, and Launceston the lowest, at 63%. As identified in Section 8, whilst B Class employment is forecast to decline in Cornwall by 1,580 jobs between 2009 and 2026, non-B Class employment is forecast to increase by 7,720 over the same period.

10.11 The dominance of non-B sectors in Cornwall is the consequence of a number of factors. The County's geographic peripherality location clearly makes it unsuitable as a base for distribution and its distance from key business centres such as London reduces its potential for supporting back office activities. However, the rural and coastal nature of Cornwall has inevitably led to strong tourism and agricultural sectors. As set out above, the population structure of the County, with its higher proportion of elderly people and lower proportion of those of working age, also has implications for the characteristics of the local economy in the future.

Retail

10.12 Retail forms an important part of Cornwall's economy, currently employing around 34,600 people across the County, making it the largest single economic sector. Cornwall is distinctive in having a spread of similarly sized market towns with the only sub-regional shopping centre being Truro. There is clear competition from centres outside Cornwall including Plymouth, Exeter and Barnstaple. The relative rankings of the main centres in and near Cornwall are set out in Table 10.2.

Table 10.2 Retail Centres in Cornwall and the South West

Centre	Ranking*
Plymouth (Devon)	17
Exeter (Devon)	37
Truro	159
Barnstaple (Devon)	201
Falmouth	418
Penzance	434
Newquay	629
St Austell	669
Redruth	699
Bodmin	731
Camborne	766
Helston	896
Launceston	914
Bude	1,364
Liskeard	1,950
Wadebridge	2,247
Hayle	2,356
Saltash	3,120
Penryn	4,226

Source: Management Horizons Retail UK Shopping Index 2008 * Note: Ranking of centres based on provision of national multiples and anchor stores. 1 is the highest.

10.13 A retail study is currently being prepared for the Council which will provide additional detail and analysis of the type and scale of future retail growth and how it might be accommodated. However, there is some indication of retail need from previous studies carried out for the former local authorities. Although they do not provide a comprehensive assessment of the County, the findings include:[61]

a need for additional convenience floorspace in Camborne/Pool/ Redruth, Truro and Wadebridge by 2026;

b need for additional comparison floorspace in Bodmin, Camborne/Redruth, Launceston, Newquay, Truro and Wadebridge by 2026;

[61] Retail and Town Centres Issues Paper Draft Version 2 (June 2010), Cornwall Council.

c no convenience need in Bodmin, Bude, Camelford, Falmouth/Penryn, Launceston and Newquay by 2026, although this may change if expenditure ‘claw back’ is sought; and,

d no comparison need in Falmouth/Penryn by 2026.

10.14 Further detail will be provided in the Council's retail study but it is clear that additional retail facilities will be required in Cornwall to 2026 to accommodate identified need. The expected growth in the retailing sector is highlighted by the Experian projection that an additional 5,750 retail jobs will be created in Cornwall during the period to 2026. As a proportion of total employment, St Austell and Falmouth TTWAs are predicted to undergo higher growth than Cornwall as a whole, whereas retail employment growth in Truro, Redruth and Camborne TTWA is forecast to be a lower.

10.15 It is expected that there will be a high requirement for land for retail development in Cornwall over the period to 2026. In accordance with PPS4, this additional provision should be accommodated in line with the sequential approach and so primarily located in town centres, often as part of mixed-use schemes. However, in some locations there may not be any suitable sequentially preferable in-centre or edge-of-centre sites, especially for large format retailers and trade counter operators. Thus, some retail development would be expected in retail warehouses, which are often located on or near employment land. As a result, retail uses can pose a relatively high risk to B Class land. This should be carefully considered by the Council as it seeks to identify appropriate sites for retail development and as it prepares policies relating to the location of new development and the protection of B Class land.

Tourism and Leisure

10.16 Tourism and leisure is a key economic sector for Cornwall, with a total visitor spend in the County of £1.7bn in 2008. [62] The market is overwhelmingly domestic in nature, with overseas visitors comprising only around 5% of the total. It is a broad industry, comprising a range of enterprises including hotels, restaurants, museums, attractions, casinos, cinemas, amusement parks and gardens. The sector is also closely linked to a number of other sectors including retail, transport, and agricultural diversification. Employment in tourism and leisure is now around 34,500 jobs, and a further 15,300 are estimated to be indirectly supported or induced by the sector. However, these jobs are equivalent to only 39,700 full-time equivalents indicating that there are significant levels of part-time employment[63].

10.17 Within Cornwall, there are currently around 240 hotels, 520 guest houses, 3,700 self catering units and a large number of other forms of accommodation (e.g. B&B’s, campsites, holiday centres), which together provide around 73,000

[62] Value of Tourism 2008: Cornwall, South West Tourism.

[63] ibid

bedspaces.[64] Unsurprisingly, the most popular holiday destinations for overnight stays are beach resorts, including Newquay, St Ives, Falmouth, Bude and Looe. Discussions with Visit Cornwall, indicate that the focus of future growth for this sector is to increase out-of-season occupancy rates rather than to increase the amount of existing provision. Indeed, most new accommodation development tends to involve the refurbishment of existing properties rather than new-build, so the land requirements of this sub-sector are likely to be small. However, there are a number of major resort proposals coming forward at present, including Carlyon Bay near St Austell and Millendreath near Looe. Both are likely to have substantial land requirements, although very limited implications in terms of the employment land demand/supply balance due to their location.

10.18 Cornwall has over 40 commercial visitor attractions (i.e. where an admission fee is charged), the most popular of which is the Eden Project in St Austell. Other popular destinations include St. Michael's Mount, Newquay Zoo and Truro Cathedral. These attractions generate a substantial income from visitors and local residents, while also providing a large amount of employment. These attractions are central to Cornwall's 'sense of place' as a tourist destination and thus it is reasonable to expect some future development in this sector by 2026.

10.19 Other types of commercial operations such as restaurants, bars and commercial leisure (e.g. cinemas, tenpin bowling and casinos), also have an important role to play, both in meeting the needs of local residents and visitors to Cornwall. These premises are primarily located in existing centres and often associated with retail facilities, as discussed above.

10.20 The tourism sector cuts across a number of sectors making it difficult to quantify future employment growth from these forecasts. Analysis of part employment growth in tourism - related sectors indicates growth of some 9.400 jobs in Cornwall between 1998-2008, with the sector now accounting for 14% of total employment. As discussions with officers at Visit Cornwall have revealed, the future growth (or otherwise) of the sector is extremely difficult to predict given that it is inextricably linked with a wide range of external factors. For instance, rising fuel costs, the weak pound, poor summer weather and the Icelandic volcanic ash cloud are all examples of factors that can and have impacted on Cornwall's tourism market.

10.21 Notwithstanding this, as a key economic sector, there are clearly opportunities for growth in tourism and leisure in Cornwall. Furthermore, it is unlikely to conflict with other forms of economic growth as such uses tend to not locate in traditional employment areas. Potential growth opportunities for this sector include:

a Higher-value tourism - providing higher quality products and a more sophisticated holiday experience, thus generating a higher spend;

[64] Tourism in Cornwall 1992 to 2008 (2010), The South West Research Company.

b Out-of-season options - which will be particularly suitable for the growing retired population;

c Increased overseas market - encouraged by the proposed expansion of Newquay Cornwall Airport and Falmouth docks (discussed in Section 6).

d Eco-tourism;

e Events-based tourism; and,

f All-weather options.

10.22 The implication of these growth opportunities is an expectation that there will be some modest growth in employment in the Cornish tourism and leisure sector. Given the diversity of the local tourism sector, it is very difficult to reliably predict the future land requirements. However, recognising the nature of the Cornish tourism offer, it is anticipated that the implications for B Class development land would be minimal and will be restricted only to those hotels that are aimed primarily at the business tourism market and located within or alongside existing employment areas.

Health

10.23 Included within the health sector are (publicly- and privately-run) hospitals, medical centres, GP and dental surgeries and residential care homes. The sector is a major employer in Cornwall, providing around 33,390 jobs.

10.24 The Cornwall and Isles of Scilly Primary Care Trust (CIOSPCT)[65] has identified several demographic and social trends which may result in increased demands on healthcare to 2026, including:

a Increased longevity of people, including those with learning disabilities;

b Increasing obesity;

c Increased harmful drinking of alcohol; and,

d Increasing numbers of children with severe and complex disabilities.

10.25 Of particular relevance to Cornwall is the forecast growth in the over-65 population (as discussed above), which may suggest need for further provision.

10.26 There are a number of hospitals in Cornwall, including three major facilities (Royal Cornwall Hospital (Truro), St Michael's Hospital (Hayle) and West Cornwall Hospital (Penzance)), 14 community hospitals and several treatment centres. There are also over 100 GP surgeries and health centres in the County. Discussions with the CIOSPCT have identified three potential future projects in partnership with the Local Finance Trust Partner (LIFT) Community First Cornwall:

a Bellair Health Centre, Penzance;

b Camelford Health Centre; and,

[65] Joint Strategic Needs Assessment (February 2008), CIOSPCT.

c Torpoint Health Centre.

10.27 However, the land take-up implications of these projects are expected to be relatively minor.

10.28 Care homes form another important part of the health sector. There are over 260 care homes in Cornwall, catering for a range of needs from drug dependency to elderly care. Despite the fact that government spending on health is likely to slow considerably or remain static in the near- to mid-term, expansion of the elderly population and possible growth in demand for private health care may require further provision of residential care homes. This would have land implications that should be taken into account, albeit that we would not expect this to have any impact upon the demand/supply balance of B Class land. The future requirement for residential care homes could be offset by programmes to improve the health of elderly residents and help them live independently for longer. Any growth could be achieved partly by expanding capacity on existing sites and also the conversion of existing hotels or large residential properties, thus having little impact on B Class land.

10.29 An informal health sector also exists in Cornwall, which includes many small independent practitioners, often self-employed, in fields such as yoga, pilates, massage, alternative medicine and Chinese medicine. These tend to operate from dwellings, community buildings or converted shop units and thus do not require significant amounts of space, although they could contribute significantly to local job growth.

10.30 The medical research sector already has some representation in the county, and is expected to significantly expand with the completion of The Cornwall Medi-Park, a health-focused science park at the Royal Cornwall Hospital Trust site in Truro. This aims to create a critical mass of research skills, business acumen and supportive infrastructure for healthcare research in the area. However, the vast majority of this accommodation will be for B-class uses.

10.31 Significant growth of 6,120 healthcare jobs to 2026 is forecast by Experian for Cornwall, spread fairly evenly across County as a proportion of total employment. However, in the absence of any major proposals for healthcare (except for the ‘Medi-park’ in Truro) facilities it is not clear whether this level of employment will ultimately be supported in Cornwall, and the impact on employment land is expected to be minor.

Education

10.32 The education sector includes commercial nurseries, primary and secondary schools, further education colleges and universities. Current employment in this sector within Cornwall totals around 20,000 jobs, representing a similar proportion of total employment as the South West as a whole.

10.33 Within Cornwall, there are currently two local authority maintained nurseries, 237 state primary schools, 31 secondary schools, four special schools and three state sixth form and FE colleges. There are also some 14 independent schools covering different age groups. Overall there is currently substantial oversupply in state school places across the County, with around 4,700 surplus primary school places and 3,000 surplus secondary school places.[66]

10.34 Discussions with Council officers with the Capital Strategy team (Children, Schools and Families) have identified only a limited need for additional school places in Cornwall up to 2026. The most significant current requirement is for a new primary school in Newquay, which is likely to require a site of approximately 1 ha. In addition, both St Austell and Bude currently require four or five additional classrooms each which are likely to comprise extensions to existing schools, and thus have minimal additional land use implications. Future rationalisation of the school estate may take place, but this is unlikely to have significant impact on land take up.

10.35 Beyond this, additional need will depend on the scale of future growth in Cornwall's settlements as follows:

a. Camborne-Pool-Redruth (CPR) - if the proposed expansion goes ahead, either the three existing secondary schools will need to be expanded or a new school provided. The scale of growth will depend on the number of houses built and thus the number of new families generated. This is expected to be around 600 places which would imply a requirements for two further primary schools.
b. Bodmin - growth here would generate a requirement for either a new secondary school or expansion of existing provision.
c. Hayle - growth at Hayle could generate possibly 300 new school places.
d. Eco-town - this would generate the need for new primary and secondary provision.

10.36 It is likely that delivery of the above will be facilitated by s106 obligations or similar mechanisms.

10.37 Cornwall is also home to six higher education institutions, which form the Combined Universities in Cornwall (CUC) partnership. As discussed in Section 6, the CUC includes the Tremough campus in Penryn which has recently been expanded. In addition, in partnership with Cornwall College, the expansion of Newquay Cornwall Airport is set to include an Aviation Academy which will cater for up to 100 students. However, in general, the prospects for future growth in higher education are uncertain in the light of government cuts to university funding and likely future increase in tuition fees.

10.38 In this context, Experian forecast that employment in education in Cornwall is forecast to decline by 1,990 jobs between 2009 and 2026, spread fairly evenly across the County as a proportion of total employment. While some expansion of provision is already programmed, the forecast decline in employment may reflect the broader outlook for public services in the years ahead. The

[66] Children, Education and Families Overview and Scrutiny Committee Report (13 May 2010), Cornwall Council.

additional land needs of this sector are likely to be relatively small, except in specific identified growth areas in Cornwall such as CPR and the eco-town. Even then, there is unlikely to be much impact on employment land as schools tend to locate close to residential areas and accordingly it is estimated that there would be limited take-up of B Class land by the education sector.

Construction

10.39 The construction sector includes the construction and demolition of buildings, earth moving, the construction of highways, electrical installation and insulation work. Whilst part of the sector falls under B Class uses (including plumbing, plastering, painting and glazing), the non-B element currently employs around 17,650 people in Cornwall (2009) and has experienced strong growth over the last decade (increasing by around 50%). However, this sector has been impacted by the recession and the prospects for its future growth are dependent on a number of conflicting trends. For instance, the development of public sector projects (such as Building Schools for the Future) is slowing down, but there are also potential major schemes in the pipeline such as the eco-town and at Newquay Airport.

10.40 Job growth in construction will be highly dependent on an improved residential and commercial property market, which has been very weak in recent years. Economic indicators suggest a gradual recovery as property markets improve and for this reason, no major job growth or increased requirement for land is anticipated for this sector. Therefore, modest growth of 400 jobs to 2026 is estimated across the County as a whole, although within Penzance and Plymouth TTWAs construction employment is forecast to decline. Due to the close relationship between B Class and non-B activities falling under the wider definition “construction”, any additional land that is required to accommodate non-B construction businesses may well be provided within employment sites, such that there will be a medium risk in respect of the loss of B Class land and premises, albeit that this will be set within the context of the limited overall future land requirement.

Agriculture and Fishing

10.41 As a rural and coastal County, agriculture and fishing are strongly represented in Cornwall, forming a higher proportion of employment than for the South West in general. The sector currently employs around 5,330 people (2.7% of total employment) and includes the growing of crops and vegetables, the farming of animals, forestry and fishing[67].

10.42 However, whilst agriculture and fishing is a locally significant sector, it is not an area of the economy that is planned for in terms of allocations and is indeed broadly outside of planning controls. As such, it cannot be viewed in terms of

[67] Source: ONS, 2008 Annual Business Inquiry, SIC 2007, Section A

its future land requirements and this sector will not impact the existing or future B Class stock.

10.43 Reflecting national trends, this sector has undergone substantial decline over the last decade, with employment almost halving between 1997 and 2008. This pattern is forecast to continue into the future, albeit at a slower rate, with a decrease of 1,520 jobs predicted to 2026.

Transport

10.44 This sector includes road, rail and air transport facilities and supporting activities. Whilst part of the transport sector is included within B Class uses (i.e. storage, courier and land transport activities which typically locate on industrial estates), the non-B element (i.e. passenger transport, travel agencies and supporting activities) currently accounts for 7,690 jobs in Cornwall.

10.45 Perhaps the most significant proposed scheme in the transport sector is the expansion of Newquay Cornwall Airport, as discussed in Section 6. The proposals comprise a wide range of new B Class and non-B Class activities, including the expansion of the existing passenger terminal, new hotels and a conference centre and the development of large scale maintenance hangars (i.e. in excess of 10,000m^2) and other aerospace activities. Whilst the exact land take-up of the plans is as yet unclear, the scheme will be focused on former MOD land now within the Airport's ownership or other identified allocation and so should not have a major direct impact on existing employment land.

10.46 In addition, the expansion of the airport, and also of the Port of Falmouth (as discussed in Section 6), will generate a number of spin-off benefits, such as stimulation of the marine renewables sectors and potential increases in visitor numbers.

10.47 Some growth in public transport employment might also be expected by 2026, in reflection of an increase in population. Some of this may locate on B Class land, especially given the relationship between B Class and non-B transport activities. However, growth in public transport is likely to be modest in a climate of restrained government expenditure.

10.48 Reflecting these factors, future employment growth in the order of 3,250 jobs is predicted to 2026, much of which will be directly or indirectly related to tourism. While the overall land take-up of transport activities is expected to be quite large, much of this will not be employment land. The risk upon B Class land and premises is therefore considered to be low.

Public Administration and Other Public Services

10.49 Public administration includes local and central government activities, along with social services, job centres, the police, courts, fire and other emergency services. It does not include office based public sector activities which fall within use class B1. Current employment in this sector totals around 3,560 in

Cornwall, having grown strongly (by over 50%) over the last decade. However, there are no indications of future growth or forthcoming development schemes in this sector, although the full implications of the government's devolution agenda have yet to crystallise.

10.50 Despite this, sizeable cuts in public sector spending are likely in the short- to medium-term, and no significant job growth is expected up to 2026. The Experian forecasts indicate a net loss of 280 jobs by 2026, although these were prepared in 2009. As a result there is unlikely to be a requirement for additional land, whilst the risk to B Class sites is expected to be low. Furthermore, any potential rationalisation of operational buildings could release sites into the supply.

Sports Facilities

10.51 Over 90 principal sports facilities have been identified in Cornwall[68], including sports halls, swimming pools, synthetic turf pitches (STP), indoor tennis and indoor bowls. Many of these are located within the Council's 17 leisure centres and some are privately operated. There are also 426 playing pitches available for the community, and another 206 which are not widely available (mostly on school sites)[69]. However, despite the large number of facilities in Cornwall, employment in this sector is relatively low at 2,860 jobs, as sports uses are relatively land-intensive.

10.52 The Council has identified the need for a number of sports related schemes over the next 15 years. Firstly, a stadium for Cornwall is proposed, which is to be developed in conjunction with Truro and Cornwall colleges and potentially provide a home for the Cornish Pirates Rugby Team and Truro City Football Club. Work is currently being carried out into the viability of the scheme but it is likely to be built in stages with an initial capacity of 10,000. Other uses may also be incorporated including a learning centre, restaurants and hotel accommodation and it could also act as a music venue. Potential sites for the proposed stadium are currently being investigated and the minimum land requirement for this is likely to be in the region of 3ha, excluding any ancillary developments.

10.53 Other identified needs include: [70]

a Swimming pools: need for two 25m pools (one possibly in Falmouth) and two learner pools. A 50m competition pool is desirable but unlikely to be viable, especially due to proposals for a 50m pool at the Life Centre in Plymouth.

b Health and fitness: there are currently 66 health and fitness facilities in the County. Demand in 2026 equates to 3,410 stations, more than double what is currently available. It is unclear whether corresponding operator demand exists to meet this need.

[68] Draft Facility Needs for Community Sport in Cornwall (2010), Cornwall Council.
[69] Draft Playing Pitch Assessment (2010), Cornwall Council.
[70] Draft Facility Needs for Community Sport in Cornwall (2010), Cornwall Council.

c Indoor bowls and tennis: need for a bowls centre in West Cornwall and an indoor tennis facility in north Cornwall.

d Synthetic Turf Pitch: a lack of STPs has been identified in north and west Cornwall. The potential has been identified for new STPs in or around Helston, Launceston, Wadebridge and Looe.

10.54 The land requirement for the above facilities is difficult to quantify at this stage, but it is likely to run into tens of hectares if the majority of the schemes were to proceed. It is possible that some of these would be located in employment areas and so there may be some impacts on employment land, albeit that some facilities could potentially support and complement B-class uses.

10.55 Constraints on government expenditure may limit the amount of new sports provision that can feasibly be provided by the public sector to 2026. Thus the delivery of such facilities is likely to become increasingly reliant on the private sector/section 106 contributions.

10.56 In relation to ice rinks, there is no permanent facility in Cornwall and in recent years only temporary rinks have been provided during the festive season at the Eden Project and Padstow. There is currently no evidence of need for a permanent facility in the County.

10.57 Another element of the sports sector comprises “extreme” outdoor sports activities including rock climbing, coasteering and surfing. Such activities are becoming increasingly popular in Cornwall, especially with tourists. However, these activities are typically based in the open outdoors and only require relatively small premises for administration and storage purposes; thus they would not require additional land to any significant extent.

10.58 Whilst no overall change in jobs is forecast to 2026, there may be qualitative requirements for a range of additional facilities in Cornwall. The extent to which these can be delivered will depend upon both levels of public expenditure and support, as well as the scale of growth in consumer demand for such facilities.

Minerals, Waste and Electricity Generation

10.59 This sector includes mining activities, waste management and transfer facilities (but excludes recycling activities which fall under B Class uses) and electricity generation activities. Whilst the sector is relatively small in Cornwall in terms of employment (1,436 employees), it is much more significant in terms of land use, particularly in relation to minerals. Indeed, Cornwall has over 110 sites permitted for mineral working, of which around 60 are currently active. The corresponding land take-up in Cornwall between 2001 and 2007 was very large at 6,908ha[71], most of which (82%) was taken up by Clay Country workings.

10.60 There are also over 170 active waste and water treatment sites across the County (excluding recycling facilities), although their land take-up is less significant than for minerals at around 250ha in 2007/08. Considerable

[71] Cornwall Annual Minerals and Waste Monitoring Report, April 2007 – March 2008.

changes are planned in this sector, in part because the United Mines Landfill Site in West Cornwall is scheduled to close in October 2010. A planning application[72] has been submitted for a new waste transfer station at Pool Materials Recycling Facility and a number of 'new generation' household waste and recycling centres are being sought in Penzance, Truro and Newquay.

10.61 Much of the further future investment in the waste subsector will be directed at energy from waste facilities. Indeed, an application for a 15ha £100m facility, the Cornwall Energy Recovery Centre (CERC) is currently being determined at appeal. If the CERC does proceed it will be able to process 240,000 tonnes of municipal waste per annum and generate 16.6MW of electricity and heat for the local Clay Country industry. However, even if the appeal is unsuccessful, significant alternative investment in other sites/technologies will be required, which will have their own implications for the use of land.

10.62 Another growth area in this sector is the generation of electricity from renewable sources. Discussions with the Council have revealed considerable interest in on-shore wind, solar photo-voltaics and geothermal technologies. A geothermal application has been submitted at the United Mines site and another is anticipated shortly at the Eden Project. In addition, around 20 planning applications are anticipated for large scale (15ha/5MW) solar photo-voltaic facilities. These are land intensive facilities, but are mostly likely to be located on open land away from centres of population.

10.63 Whilst Experian forecasts a decline of 270 jobs in minerals, waste and electricity, it is clear there is growing demand for waste and renewable energy facilities in Cornwall, for which the total land take-up could be substantial. The implication of this is that some increase in employment is considered to be likely. Some of these facilities will have a substantial land requirement and some could be located on employment land, especially waste facilities that incorporate recycling activities.

Future Requirements

10.64 The above analysis is summarised in Table 10.3 which provides the forecast job change and an overview of the likely land requirements for each sector. It is striking that growth in non-B employment between 2009 and 2026 will greatly exceed B Class employment, the latter of which is actually forecast to decrease over the same period.

10.65 As discussed in Section 8, the Experian job forecasts are recession-based and do not take account of policy aspirations. Therefore, some of the corresponding land requirements have been adjusted on the basis of the analysis above.

[72] Council Reference Number 10/00117/WAS. The overall proposed site area is 1.6ha but most lies within the existing site.

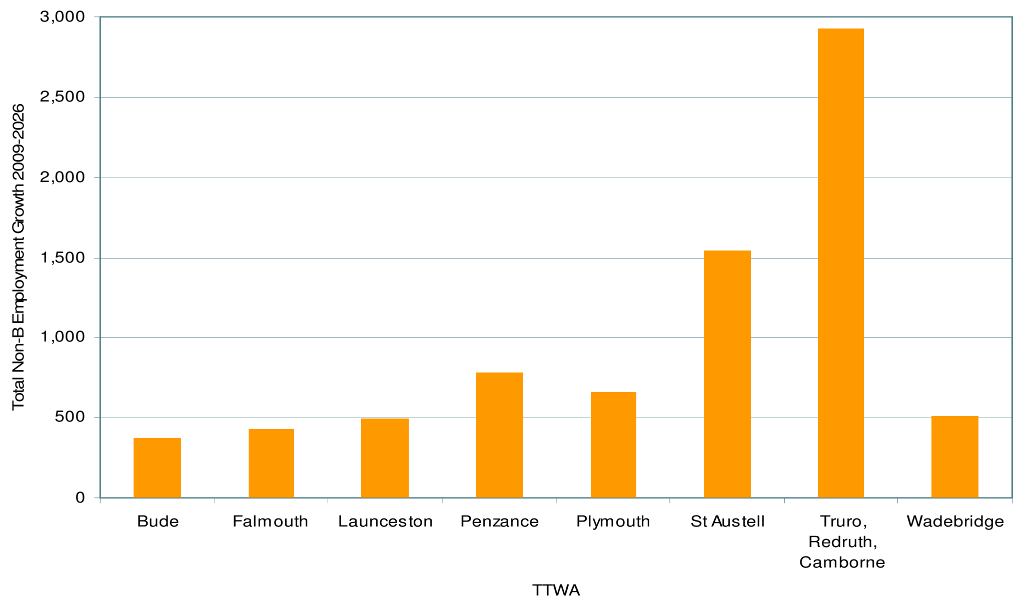
Table 10.3 Future Space Requirements of Non-B Class Sectors

Non-B Sector	Job Forecast 2009-2026 (Experian)	Job Forecast 2009-2026 (NLP)	Additional Floorspace/ Land Requirement	Risk of Loss of B Class Land?
Retail	High growth	High growth	Large	High
Tourism & Leisure	High losses	Low growth	Medium	Low
Health	High growth	High growth	Small	None
Education	High losses	No change	Small/Medium	None
Construction	Low growth	Low growth	Small	Medium
Agriculture & Fishing	Medium losses	Medium losses	None	None
Transport	High growth	High growth	Large	Medium
Public Administration	Small losses	Small losses	Small	Low
Sports	No change	No change	Large	Medium
Minerals, Waste and Electricity	Small losses	Low growth	Large	High
Total Non-B Jobs	**+7,720**			
Total B Jobs	**-1,580**			

Source: Experian / NLP Analysis

10.66 In relation to the geographic distribution of non-B growth, Figure 10.2 illustrates the likely growth in non-B employment for each TTWA. Truro, Redruth and Camborne is forecast to see the highest amount of growth, with St Austell next in line, with the remainder spread fairly evenly across the other TTWAs.

Figure 10.2 Non-B Employment Growth by TTWA



Source: Experian, 2009

Conclusions

10.67 The above analysis suggests that even though the non-B sectors are a key part of Cornwall's economy, their land requirements are likely to be generally modest. This is partly because many will utilise land already held by the relevant provider or because the use can be incorporated within mixed use developments, often in town centres. The largest requirements are likely to arise from the retail, transport, sports and minerals, waste and electricity sectors. The indications of land requirement are set out to provide an overview of their likely scale. However, they should be treated with caution and investigated further through detailed sector studies and an assessment of possible development sites for each type of activity.

11.0 Strategy and Delivery Implications

11.1 Drawing on the analysis contained in preceding sections, this section considers the implications for policy and deliverability of employment land, as well as other measures which may be required to support Cornwall's economic growth objectives.

11.2 It should be emphasised that this study is not a strategy document per se. Rather it is intended to provide an evidence base to support the formulation of employment land policies and allocations through the Cornwall Local Development Framework (LDF). Accordingly, this section begins by summarising some of the key issues arising from the analysis before focusing on specific implications.

Overarching Issues

11.3 The analysis has identified a number of important overarching issues that will frame many of the future policy decisions about the location, type and potential delivery of employment land across Cornwall. These differ in nature, but also in terms of the type and need for policy response or intervention. In most cases, there is a County-wide and broader planning policy context for making these choices and it is beyond the scope of this study to make judgements about the weight to attach to various objectives or strategy/policy choices. The points below are invariably a simplification of complex issues, but provide a framework for considering the direction of future employment land strategy in Cornwall.

1. ***Attracting inward investment*** *vs.* ***encouraging indigenous growth*** – in the past, much of the focus of public sector investment in Cornwall has been on attracting inward investment to the County. The track record of success has been mixed, but there has been a broad acceptance of the need to increase the business base by effectively seeking to 'import' businesses into Cornwall. It is less clear that this will be a sustainable model of growth in the future, with considerably more competition for footloose investment, both within the UK and elsewhere, albeit that the County has some developing competitive advantage such as Newquay Cornwall Airport and 'Next Generation Access'. Inward investment will still play a role, but there is likely to be greater emphasis on particular competitive advantages in terms of sectoral mix or workforce skills, while the challenge will be to ensure investors become more embedded within the Cornwall economy so that spin-off effects such as supply chain linkages are maximised. To complement this, greater emphasis will need to be placed on 'bottom up' approaches to increasing the indigenous business base, particularly in higher-value sectors. The CUC and Innovation Centre developments are early examples of these types of initiative.
2. ***Latent*** *vs.* ***perceived demand*** – as noted in section 5, the combination of low levels of perceived demand reported by agents whilst at the same time new employment developments being taken up reasonably quickly

and generally low vacancy levels, suggests there are underlying levels of 'latent' demand within Cornwall that are difficult to take account of and plan for. In some cases, the lack of perceived demand or uncertainty that it exists may act as a barrier to private sector developers providing new employment space in the County. In a more risk-averse, post-recession, environment this situation has the potential to become exacerbated. Whilst a simple 'build it and they will come' approach should be avoided as it provides neither an efficient use of resources and risks creating potential 'mismatches' in the market, it does suggest an argument for ensuring a pipeline of supply to attract demand for new employment development. Responding solely to the 'perceived' or actual demand at any point in time would risk placing an undue constraint on Cornwall's economic prospects. In policy terms, this would mean providing a sufficient range of sites in key locations, and ensuring a rolling supply of deliverable sites over the LDF period.

3 ***Concentrating growth in main settlements*** *vs.* ***dispersing growth across smaller settlements*** - reflecting the range of smaller towns and villages within Cornwall, there has been recent debate about the need to distribute housing and economy growth on the basis of the *functionality* of existing settlements, rather than purely in terms of their size or position in the settlement hierarchy. In employment land terms, this requires a balance between accommodating the growth needs of the largest market centres or strategic locations (for example, Newquay Cornwall Airport or the proposed Clay Country eco-town) where critical mass exists, addressing the potential issue of 'overheating' in some locations where land supply is becoming more constrained or there is pressure on existing infrastructure (notably Truro), and recognising the value of more localised economic development in smaller towns and villages. As noted in section 6, the latter can help promote more sustainable (less commuting) and flexible (in terms of lifestyle choices) patterns of working, as well as aid economic diversification and entrepreneurship in local communities.

4 ***Public sector delivery and intervention*** *vs.* ***private sector delivery*** - as noted in section 5, traditionally low values and uncertain demand have combined in Cornwall to limit the level of private sector development of employment space, particularly in speculative terms. The result has been reliance on public sector intervention to bring forward serviced sites and plots, and build new employment space on a speculative basis, but with mixed take-up. There were some signs that by the 2007 peak of the market prior to the recession that the development economics were just starting to reach a tipping point to make private-sector development viable, but in the short to medium term, this situation will undoubtedly reverse and developers will be more risk averse and tend to withdraw to 'safe havens' where they can be more confident of the returns. In this context, the more constrained outlook for the public finances and the still to be determined availability of European funding post-2013 represent major challenges to bringing forward employment space in Cornwall in the future. If Cornwall is to come to rely on private developers to a greater

extent, the implication is that Cornwall's future employment land portfolio may have to be more closely aligned to where market demand is strongest and more certain in order to attract new private development, and potentially need to consider sites with less onerous upfront infrastructure or remediation requirements to make development happen.

5 ***Targeting specific sectors for growth*** *vs.* ***meeting 'generic' employment needs*** - there has been a tendency, particularly on sites brought forward by European funding where such restrictions are often a pre-requisite of securing funding, to specify that only specific sectors are permitted on particular sites. This type of sectors approach can, and should, remain part of the overall economic development strategy for Cornwall, and indeed may be desirable (for example, aviation-related activities at Newquay Cornwall Airport or environmental industries at the China Clay eco-town). However, in some cases and locations, it can lead to perverse outcomes whereby sites remain idle because there is no demand from the specific sectors being targeted, while more 'generic' employment land needs are frustrated by a lack of available land. In future, a more flexible approach will be required, which safeguards land for specialist uses where there is some certainty that sufficient demand exists or can be created by virtue of other interventions, but takes a realistic and case-by-case view of where pressure exists for wider employment uses which cannot be reasonably accommodated elsewhere.

6 ***Meeting Existing Demand*** *vs.* ***Creating New Markets*** – as noted in previous sections, creating markets for types of commercial space in areas where there was none previously is potentially a higher risk commercial undertaking, especially in the context of restricted finance availability and potentially greater risk-aversion in the years ahead. As a result, in order to encourage the maximum take-up of land and the delivery of workspace across Cornwall as a whole, there is an argument that land allocations should be focused in those areas where existing market demand is both proven and at its greatest. However, there are economic, regeneration and sustainability imperatives to try and develop new markets in some locations. Furthermore, there are high levels of latent demand within Cornwall, and occupiers may be encouraged to look outside their usual areas of search if there are good quality workspaces available. However, occupier demand (both perceived and latent) does not always align with developer investment, so accordingly, there may need to be a commitment to public-sector intervention in areas where there is clear market justification for investment.

11.4 In this context, approaches to providing for the different B-class uses are considered below.

Policy Approaches

Overview

11.5 The forecasts of future employment needs considered in previous sections indicate the broad scale and type of growth in terms of jobs as a basis for estimating floorspace/land requirements. An element of this demand may be footloose across adjoining areas of Devon, however, the Council's policy approach should aim to fully meet the County's employment land needs so that economic growth is not unduly constrained, recognising that developments in adjoining areas will also be a key influence.

11.6 Planning for employment needs will need to be balanced against pressures from other land uses, as well as other Core Strategy objectives such as housing targets. B-class employment development also competes with non B-class uses such as retail, leisure and community uses, which are now recognised by PPS4 as forms of economic development in their own right. The growth prospects and potential land needs of non B class employment generating uses are considered in more detail in section 10.

11.7 Accordingly, choices must be made through the LDF about which sites to protect or allocate for employment development, or which to consider for release to other uses. These judgements should take into account the objectives of the Economic Ambition White Paper and, where possible, align with the Convergence operational programme. They should also take account of the local benefits of B-class sectors, the need for a balanced economy and range of jobs, and the outcomes if these activities become displaced. Approaches to providing for the different B-class uses are considered below.

11.8 However, it should be noted from the outset that given the generally low levels of site deliverability and financial viability in the commercial land and development market, it is important not to unduly constrain sites through specific allocations and a flexible approach to end use should be adopted for a significant proportion of sites.

Industrial and Distribution Uses

11.9 Although the quantitative assessment predicts a higher demand for office land in the future, most current demand for commercial property space in Cornwall is for industrial uses. As such there is a need to provide such space in a wide variety of locations across the county is order to both meet reported and latent demand, as well as provide employment to reduce commuting and increase the sustainability of settlements. The key issue here is over the deliverability of premises and the main methods of achieving this will be via non-planning mechanisms including SIFs and funding mechanisms.

11.10 Nonetheless, planning policy support should generally be given to industrial development, particularly in areas which are currently underserved or have tight markets. In the short to medium term this is likely to be most viable through extending and developing existing employment sites, rather than developing entirely new ones due to the higher levels of commercial risk involved. In addition, policy support should be given to providing a range of unit sizes in order to create a premises ‘ladder’ on as many sites as possible, in order to retain businesses within the county as they grow or contract.

Office Uses

11.11 Similar issues on deliverability and location also apply to office space. Although demand is always likely to be focused around Truro as the county’s preeminent office centre, a number of other centres are starting to emerge and will help to offset the more constrained supply in Truro. This role for the county town should be nurtured through the development of its office sector which should be supported by the planning system allocating more land here, and looking favourably on town centre redevelopment schemes which deliver office space.

11.12 However, economic and sustainability aspirations mean that a more poly-centric office network should also be encouraged. The viability of office space is such that significant office allocations are only likely to work in the county’s other significant centres of population such as Penzance, CPR, Falmouth, St Austell, Newquay and Bodmin. Falmouth Business Park is a good example of where this has been successful.

11.13 It should be noted that although this assessment has only considered traditional employment areas, there may be significant potential for office stock to be delivered more intensively in town centre locations were development opportunities exist.

Small Business/Start-up Workspace

11.14 As noted previously, a wide range of business unit sizes should be supported on all sites of a reasonable size (e.g. over 2 ha in size) in order to create a ‘ladder’ of premises. This should explicitly include provision for small businesses and start-up/enterprise space, albeit that the needs of many small business are met through more informal workspace arrangements. Delivering purpose-built, high quality space may require a level of public sector financial support, although it may be possible to attract some smaller private-sector developers to county (e.g. Basepoint, Capital Enterprise Centres etc). Provision can also be encouraged through S106 agreements as part of major developments, although this may only be realistic in areas where development is commercially viable without public sector support.

Live/Work

11.15 As detailed in section 5, purpose-built live/work schemes may have particular potential in Cornwall and can have useful economic development purposes. However, there have been difficulties in getting schemes delivered in recent years, and in ensuring that the final 'product' and occupancy conditions are attractive enough to ensure occupier demand. Both location and product are critical to the success of live/work units. Taking location first, towns which have existing high levels of home working, and offer a high quality of life are likely to be particularly suitable for live/work developments, with examples including (but not confined to) Penzance, Looe, St Agnes, Falmouth, Lostwithiel and Camelford. Urban locations, within walking distance of such town centres are likely to be attractive to occupiers and has the added benefit of reducing journeys, although there may be some limited rural demand also. A future example of this may be the recently consented development of live/work units in the Newquay Growth Area. In terms of product, purpose-built live/work must offer something which conventional home working cannot in order to be attractive. It must offer a high standard of accommodation in a good location with flexibility over the precise mix of working to residential space. Ideally, live/work would also be co-located with more conventional B1 workspace and 'hub' space comprising meeting rooms/secretarial support for hire.

11.16 Typically, the value of live/work property lies somewhere between that of residential and commercial premises and thus is only likely to be viable on sites without potential for residential development. Allocating sites for live/work is therefore counterproductive as it raises the value of the site, often making schemes unviable. Existing or undeveloped employment allocations therefore offer potential when in suitable locations, and policy support should be given to live/work here. However, perhaps the best potential lies on public sector owned land where control over the precise 'product' to be developed can be exerted through the Council retaining the freehold of the land, in addition to the planning process. In these instances, a live/work 'design and build' on services sites may also be viable.

Rural Workspace

11.17 A wide variety of national, regional and local policy documents indicates support for the provision of workspace in rural locations in order to meet economic and sustainability aspirations and this is particularly important in the Cornish context where the majority of the population does not live in major urban centres. Support should therefore be given in planning policy for a range of both converted and purpose-built employment space provision in rural areas. However, the broad level of rural employment needs does not justify specific allocations.

Other Measures to Support Economic Growth

Renewal/Intensification of Existing Sites

11.18 As noted in section 4, Cornwall has a higher proportion of older warehousing space than the regional average, but a slightly more modern stock of manufacturing space. However, the stock of office space is significantly more dated, with over 40% being of pre-war vintage, although this may not fully reflect that some has been extensively modernised and refurbished since.

11.19 There are some concentrations of older industrial areas with some older premises unsuited to modern needs or in poor condition, but with potential for renewal and intensification. Some measures that might help address this could include re-classing, gradual redevelopment of individual plots, and sub-division of larger units (for example, where a site was previously dominated by a single occupier). Barriers to owners doing this include the current economic conditions, low rents and sometimes multiple ownerships of sites.

11.20 Options for lower cost initiatives could include refurbishment of industrial units, and making environmental improvements to existing estates, although it should be recognised that multiple ownership of sites can provide a barrier to undertaking these types of improvements. However, such processes of gradual upgrading should be encouraged to allow for these sites to make a positive contribution to meeting some of Cornwall's future industrial needs. Encouragement for owners/developers to do this may be necessary, and would be aided by:

- an LDF policy encouraging such forms of development;
- local initiatives to publicise to local firms case studies of improvements to business premises, including costs, contractors involved and rental or other benefits achieved; and
- exploring potential sources of grant aid to enable small/medium firms to upgrade premises if the market does not deliver these improvements.

11.21 To facilitate the upgrading or redevelopment of older employment sites without disrupting existing businesses, some new sites or premises will need to be made available to facilitate the accommodate the relocation of firms. This indicates a need for a cautious approach to redeveloping/sub-dividing existing employment sites until such time as reasonable alternative sites and premises become available.

11.22 It is clear that if a higher quantum of workspace is to be made available in the County there will need to be a contribution from the renewal of Cornwall's older, more established employment areas, new employment development on new sites as well as the intensification of existing sites. However, the particular solution applicable in each area will need to take account of the characteristics and constraints that apply to the existing and development sites that are located there.

Site Deliverability

11.23 As set out in section 7, the fact that a site is physically deliverable does not automatically mean that it will come forward, even when in areas of high market demand. For example, private landowners may not be willing to release land for employment development. This could be because the use of the land is restricted by title issues or trusts, or because the land owner has alternative aspirations for the site, often for higher value uses such as residential.

11.24 Notwithstanding physical constraints, the financial viability of a site also plays a crucial role in determining whether it comes forward for development. Anticipated levels of market demand and rental levels are important components of a scheme's viability and if these are considered to be unfavourable at a particular site then landowners are unlikely to promote development.

11.25 In such cases, public sector intervention may be required in the form of subsidy, grant or gap funding to support the viability of new employment development. Indeed, as noted previously in Section 6, limited development has been delivered in Cornwall in recent years without public-sector funding either in the form of EU convergence or SWRDA monies. Thus, if the delivery of new workspace is to continue across Cornwall at reasonable levels then it will be critical that some form of grant funding continues to be available. Other approaches could be used in addition to grant funding, including for some locations sites being brought forward as part of mixed-use schemes to enable higher-value uses to cross-subsidise the provision of new employment space. In addition, maintaining a flexible approach to s.106 contributions could also reduce the overall financial burden on developers. Public sector investment should focus upon facilitating parcels of serviced development land, and identifying where the existing public sector asset base can effectively act as a subsidy for development. Employment development should align closely with the Convergence operational programme and full advantage should be taken of the current Convergence investment opportunities whilst they exist. This may specifically include enabling sites to become 'oven ready' through upfront investment in infrastructure provision and other mechanisms so that a legacy can be created beyond the eventual cessation of the Convergence programme.

11.26 To this end, it should also be noted that the greater the policy specificity and certainty, the easier it is for the market to make informed investment decisions. The Coalition Government's June 2010 Budget highlighted the intention to promote the role of Local Development Orders (LDOs) to simplify the planning consents process where there is a potential or need for business growth. LDOs are an existing tool which are as yet, little used. They offer the opportunity to remove the need for planning permission for certain types of development with time and cost savings for businesses, institutions and local authorities. LDOs were introduced by the last Government in 2004 as flexible and versatile tools to enable local planning authorities to grant planning permission for a specified type of development either across the whole of their area or a specified part of it, facilitating a simplified planning process and the opportunity to realise development more quickly. Seven pilot studies were put in place following a recommendation in the Killian Pretty Review in 2008, including one at Carnon Downs in Cornwall.

11.27 The principal attraction for land owners, developers, operators and occupiers is in the application of an LDO to large self contained complexes, such as an industrial estates or business park, where there is both the scope for small scale changes which have minimal impact on the wider area and a frequent need to adapt and extend buildings quickly to respond to new opportunities.

Such orders could be applied both to existing developed sites, as well as undeveloped allocations where development is being sought. An LDO must specify the area to which it applies e.g. the specific building/site/estate, and identify the type of development for which it grants permission (e.g. extensions to buildings below a certain size, changes of use within defined use classes or defined changes to the appearance of buildings).

11.28 More detail of how LDOs will be promoted is expected, particularly on whether further modifications to the procedure are proposed and how they will complement other related legislative changes. However, under current arrangements, it seems that LDOs may provide one option for both existing employment sites in need of redevelopment or large undeveloped sites where there is potential for stimulating business growth or which are less able to rely on public sector expenditure to aid delivery.

Non-conforming Uses

11.29 This category includes a wide variety of uses that, because of their potential amenity impacts on surrounding occupiers and businesses need to be treated carefully. They include skip hire businesses, coal yards, wholesale timber merchants, glass cutters, vehicle breakers etc. Estate management and amenity problems tend to arise when these businesses are mixed on the same site with more conventional B-class uses, particularly companies that have customers visit their site. However, they provide an important component of many local economies which it is important not to displace. Careful consideration should therefore be given to the provision and retention of areas for such businesses in both new and existing employment areas, subject to appropriate masterplanning.

Managing Non-B Activities

11.30 From the analysis in section 10, it is apparent that for some sectors in some locations there may be pressure for non B-class uses on existing employment sites. Whilst recognising the employment generating potential of non-B class activities, it is important to manage this pressure in order to maximise Cornwall’s future economic potential and to ensure sufficient flexibility and choice for local firms. While employment sites may reach the end of their economic life over time, and be no longer suited to their original use or cause environmental problems, any releases of employment land must be managed and justified in a systematic manner.

11.31 It may be appropriate to afford policy protection to existing employment sites, for example this could include all of the sites rated as ‘good’ or ‘average’ by the Council’s assessment process included as part of this study. Where any existing employment site or premises is proposed for redevelopment or change of use to other uses, this position could be strengthened to a formal policy test to ensure that any releases are managed, but also to provide greater certainty for applicants about how their proposal will be assessed.

11.32 In some cases, development of non B-classes uses which also generate employment may be promoted (e.g. retail, community facilities). Applicants often argue that the job generation from these uses exceeds that of an equivalent B-use development on the same site. It should be possible for these other types of uses to be accommodated through other sites identified by the Local Development Framework. Ultimately, to ensure a balanced economy with a range of employment opportunities, some control is required to prevent B-uses simply being displaced by other activities without strong justification, even if they do generate some jobs.

11.33 For this purpose, a criteria-based policy could be applied, for example:

- a the land or building is no longer physically suitable for B-uses including alternative office, warehousing and industrial activities, both for immediate needs and there is no realistic prospect of re-use or redevelopment for such uses in the longer-term;
- b there is documented evidence of unsuccessful active marketing for B class uses with at least one recognised commercial agent at local market rent levels, over a continuous period of at least 18 months;
- c the redevelopment or re-use would provide alternative job opportunities consistent with the Council's strategy to secure higher-skilled employment or affordable modern business premises for local companies;
- d the non B class uses cannot be accommodated on alternative sites elsewhere;
- e the non B class uses will not prejudice the existing employment function or further employment development in terms of the scale or nature of its use;
- f the non B class uses would not constitute the majority activity in terms of proportion of overall site area;
- g the non B class uses represent a complementary non-residential use which can directly support the functioning of the site for employment purposes.

11.34 This type of policy would help ensure that the County's employment land supply is afforded sufficient protection, and that any releases are undertaken in a managed way.

Release of Employment Land

11.35 There is forecast to be an oversupply of employment land in many travel-to-work areas, particularly for industrial space, which could indicate scope to release some existing employment land to other uses or reduce undeveloped allocations. However, the predicted quantitative surplus should be treated with some caution, as noted in previous sections. In particular, these assumptions rely on all the available undeveloped supply coming forward within the plan period, which may not occur due to factors noted above such as a lack of financial viability and market attractiveness. As a result, any potential candidates for release should be considered on a case-by-case basis, having regard to the demand and supply balance in that particular area. This situation may well change over the plan period to 2026 and the Council will therefore need to monitor this position and take account of the needs arising in different locations.

11.36 More specifically, the assessment of both developed and undeveloped sites in section 7 indentified some lower performing sites against the criteria used which could be considered for release. Any candidate sites for release should not only perform poorly against the criteria but not be performing any useful economic role, as indicated by a combination of obsolete buildings, sustained high vacancy, adverse impacts to surrounding uses in terms of environmental factors in the case of developed sites, or failing to attract investment after a considerable period of time in the case of undeveloped sites.

11.37 As a result, a cautious approach should be taken to releasing *existing* employment sites in the County. However, there appears to be little point in retaining allocations on those *undeveloped* sites which have been identified within this study as being either unlikely to be developed within the plan period or not suitable for employment uses.

Conclusions

11.38 There is forecast to be an oversupply of employment land in many travel-to-work areas, particularly for industrial space, which could indicate scope to release some existing employment land to other uses or reduce undeveloped allocations. However, a cautious approach is required to managing the competing pressures on employment sites within the County to ensure that there is sufficient deliverable employment land to meet a variety of needs across different locations, particularly given the high levels of uncertainty surrounding much of the identified supply.

11.39 Steps should be taken to explore a wide variety of options to encourage the completion of workspace including public-sector subsidy, cross-subsidisation through mixed-use development, taking a flexible approach to S106 agreements and mechanisms to provide greater policy certainty such as LDOs.

11.40 Renewal and intensification of older sites should be encouraged to ensure that they contribute positively to meeting some of the County's future growth requirements, but taking account of the particular constraints that apply on individual sites.

12.0 # Developing a Monitoring Framework

12.1 This section describes current employment land monitoring arrangements in Cornwall and identifies any additional measures to help improve future monitoring systems, including the future updating of outputs generated by this study.

Background

12.2 The ODPM document *Local Development Framework Monitoring: A Good Practice Guide* states that monitoring *"represents a crucial feedback loop within the cyclical process of policy-making."*[73] Monitoring can serve a number of important purposes, including enabling local authorities to understand the key economic, social and environmental matters that are affecting their area and which are shaping the scale, nature and rate of development.

12.3 This study has provided a variety of employment land projections based upon a range of economic growth scenarios. Following on from this, it is essential that monitoring of the employment land situation is undertaken within Cornwall in order to:

a ensure LDF policies on employment land remain relevant and up-to-date and reliable information is available to support review of policies where needed;

b determine how the area is performing against the preferred scenario; and understand whether any revisions are required to LDF allocations as a consequence;

c identify at an early stage any shortfalls or surpluses of employment land as part of a plan, monitor and manage approach;

d provide a robust and up-to-date basis for decisions on proposals for non-employment uses on allocated employment land; and

e to obtain reliable base data for assessing changes in the type and demand for employment land to support a continuous review of future needs.

12.4 This reality checking is important, particularly in the later stages of the LDF, as econometric projections become less reliable over longer time periods.

Current Monitoring System

12.5 The importance of effective employment land monitoring is emphasised by the lack of consistent information that is currently available regarding past trends in take-up of employment land within Cornwall. Previously, this information was

[73] Local Development Framework Monitoring: A Good Practice Guide, ODPM, 2005

collected by the six former district authorities which existed prior to the establishment of the Cornwall unitary authority. As Table 12.1 illustrates, differences in approach between each of the former districts means it is difficult to draw a comprehensive and consistent picture of past employment land trends across the County.

Table 12.1 Employment Land Monitoring in Cornwall in 2006/7

	Carradon	Carrick	Kerrier	North Cornwall	Penwith	Restormel
Amount of floorspace developed for employment by type (sq.m)		X	X	X	X	X
Amount of floorspace developed for employment, by type, in employment or regeneration areas (sq.m)	X	X	X		X	X
Amount of floorspace by employment type, which is on previously developed land (sq.m)		X	X		X	X
Employment land available (ha)		X	X	X	X	X
Losses of employment land in (i) employment/ regeneration areas (ha) and (ii) local authority area (ha)			X		X	X
Amount of employment land lost to residential development (ha)				X	X	X
Amount of Commercial and Industrial Floorspace (sq.m)	X				X	
Percentage of developed serviced/estate type industrial floorspace occupied in 2006/2007					X	
Percentage of B1, B2 and B8 land situated on employment land					X	
Percentage of total developed floorspace in B1 use located on employment land					X	
Percentage of total developed floorspace in B2 use located on employment land					X	
Percentage of total developed floorspace in B8 use located on employment land					X	
Amount of land under construction/allocated/with planning permission (sq.m/ha)				X	X	

12.6 The more recent monitoring figures for 2008-2009 have been prepared by Cornwall Council for the County as a whole. This provides a narrower set of indicators based on the range of readily available information for each of the former districts.

Table 12.2 Employment Land Monitoring in Cornwall, 2008-09

		Former District					
		Carradon	Carrick	Kerrier	North Cornwall	Penwith	Restormel
Amount of employment land developed by type (sq.m).	Gross	X	X	X	X	X	X
	Net		X	X	X	X	
Percentage of employment type activity on previously developed land.	Gross		X	X	X	X	X
	% Gross on PDL		X	X	X	X	X
Employment land available by type (hectares)			X	Total only	X	X	Total only
Total amount of floor space for town centres.	Gross		X	X	X	X	
	Net		X	X	X	X	

Moving towards a future monitoring strategy

Minimum Requirements

12.7 In the future it will be important to establish a consistent framework to support on-going policy-making and implementation. In particular, the key questions will relate to:

a are policies achieving their objectives and in particular are they delivering sustainable development?

b are policies resulting in unintended consequences?

c are the assumptions and objectives behind policies still relevant?

d are the targets being achieved?

12.8 An effective monitoring system should collect only information for which a clear and necessary purpose has been identified; there is no point in collecting information for its own sake, nor more information than is strictly necessary. The Council's monitoring approach should be designed and adapted to meet the intended purpose. The amount of effort and resources required to obtain, update and analyse the information also needs to be balanced against the usefulness of the information.

12.9 In this context, the CLG Employment Land Review Guidance Note sets out the minimum recommended employment monitoring to be undertaken by Local

Planning Authorities. This is focused primarily upon information relating to the local supply and demand for employment land and includes:

a employment land and premises database (recording B1a, B1b, B1c, B2, B8 or sui generis);

b employment permissions granted by type;

c employment permissions implemented by type and matched to allocated sites;

d permissions and development of sites and premises previously in employment use for non-employment uses (i.e. losses of employment land);

e employment land and premises available and recent transactions;

f employment premises enquiries; and

g employer requirements and aspirations (to be gauged via periodic surveys or forum and focus group events).

12.10 The above review of recent monitoring activities (undertaken both before and after the establishment of Cornwall Council as a Unitary Authority) shows that not all of this information is presently being collected. It is recommended that as a minimum, the Council established systems to monitor the above where these are not already established.

12.11 In addition, as well as reviewing premises enquiries, it would also be helpful to track their outcome in order to understand the extent to which individual enquiries do translate to actual transactions (which is to be monitored separately). This may require greater liaison and data sharing with partner organisations such as Cornwall Pure Business.

Scope for Additional Monitoring

12.12 In addition to the minimum requirements set out in the CLG guidance, it may be appropriate for a wider view to be taken of employment land monitoring in Cornwall, to provide additional output and contextual information to help inform policy-making. The additional indicators that could be included are:

a employment levels;

b employment density and plot ratio;

c market trends;

d recycling and refurbishment; and

e sources of employment land.

12.13 These are considered in more detail below.

Employment Levels

12.14 Understanding the number of jobs and the type/quality of jobs provided by new development will be important in helping to fully gauge the economic benefits of new developments and their relative contribution to the area. This information could be estimated from planning applications submitted in respect of proposed new developments and, for greater accuracy, could be assessed against the levels of employment actually generated by a development once occupied.

12.15 It would be useful to compare the actual number of jobs created during any year with the Experian forecasts set out in Section 8. In so doing, it will be important to recognise that only a proportion of new jobs would be associated with new development. A large share of employment creation would by existing businesses within their current premises. This data might be recorded through an analysis of business records, including those relating to PAYE and National Insurance contributions. Although complex, this analysis would help to give a clear indication of the scale of economic and employment change that is occurring within the County and would provide a clear framework by which the reliability of the employment forecasts might be measured.

12.16 Subject to the outcome of this comparative analysis, it might be appropriate to commission updated forecasts. This would support a plan, monitor and manage approach, and be useful in the event that local economic recovery and growth is more significant and rapid than is presently anticipated and an early review of the economic policies of the LDF is considered to be appropriate. Cornwall Council should also take account of any other projections that are prepared in future years and should review the implications for future employment land needs following their publication.

Employment Density and Plot Ratio

12.17 The employment land projections set out within this document have been derived using employment densities recommended by English Partnerships (2001). In updating the employment land review in future, Cornwall Council may wish to adopt locally derived employment densities. This can only be achieved by monitoring trends over time or looking back at the employment density on key sites in the County. The Council's Economic Development teams should already record the number of jobs created by successful inward investment enquiries. Matching this information at a site specific level to gross internal floorspace figures and the type of employment created (with respect to B-Use Classes) would enable locally derived employment densities to be constructed.

12.18 Additionally, this study applies a standard plot ratio of 0.4, based on the assumption that an employment generating building occupies 40% of the total plot of land. In updating the employment land review evidence base or formulating employment land policies, however, the Council might seek to develop different plot ratios for different parts of the County. This can be achieved by recording both the total site area and net developed area for all planning applications and then analyzing a sample of the applications submitted in different areas or settlements. Whilst this would be helpful, both in setting more locally appropriate plot ratio figures in the future and in ensuring that land being used in an appropriately efficient manner, it should be noted that monitoring this data is a resource intensive exercise.

Market Trends

12.19 Understanding market trends is an essential component of the employment land review evidence base and an analysis of current market trends has been included as part of this study. However, recognising that market trends are not static, it is important that this is regularly updated, and that market feedback is continually fed into the policy-making process. The Cornwall Sites and Premises Group already provides one forum for this, but it is also recommended that the Council continues to monitor this by commissioning periodic market trend reports from a local commercial property agent. We would recommend that this should preferably happen on an annual or biennial basis.

Recycling and Refurbishment

12.20 It should be noted that a proportion of the employment development that will occur in Cornwall will not require planning permission and as a consequence will not be picked up by monitoring planning applications. Such development is likely to include a change of use permitted under the Use Classes Order or the refurbishment of existing vacant or under utilised premises. Development of this nature is difficult to monitor. However, occupiers are required to inform the local valuation office of any change in the nature of their business and it is therefore recommended that the Council's business rates information is used to provide an understanding of recycling and refurbishment. In addition, an analysis of market trends can be used to supplement this, providing an understanding of the upgrading of existing stock compared to levels of new build.

Sources of Development Land

12.21 Additionally, it is recommended that in monitoring the take-up of employment land by type, Cornwall Council records the source of the development land (e.g. Local Plan allocation or windfall site). This will aid its understanding of the contribution to the employment land supply made by windfalls in different parts of Cornwall.

Developing the Outputs of this Study

12.22 As one component of the Council's evidence base on employment land issues in Cornwall, this study has provided a starting point for future review and updating. In particular, this should include:

a Periodic updating of the assessment of existing employment sites undertaken by the Council to provide an up-to-date picture of the relative performance of sites across the County and to monitor changes over time. It is understood that a MS Access database has been developed by the Council to facilitate future updating;

b Periodic updating of the deliverability assessments of the 90 undeveloped sites completed by NLP, alongside monitoring of completions on the 90 undeveloped sites assessed through this study. This will need to factor in more detailed site information as it becomes available, and may involve reviewing the judgement on potential delivery timescale; and

c Continuous review of the 5-year supply of employment sites based on monitoring of completions and other delivery factors as part of a plan, monitor and manage approach, to inform any changes required to the Council's portfolio of sites over the LDF period.

Conclusions

12.23 Monitoring information on employment land was previously collected by the six former district authorities which existed prior to the establishment of the Cornwall unitary authority. Differences in approach between each of the former districts means it is currently difficult to draw a comprehensive and consistent picture of past employment land trends across the County, although the Cornwall-wide AMR has started to address this.

12.24 Not all of the relevant employment land indicators are currently being measured; therefore it is recommended that the Council establishes systems to monitor those not currently considered. A range of additional monitoring arrangements have also been suggested to help provide greater local insight into employment land delivery and the types of jobs created. Outputs from this study, particularly the process of site assessments and deliverability analysis, should be periodically updated in future as part of a plan, monitor and manage approach, and to help manage the current uncertainties around the future level of employment growth and take-up following the period of national recession.

13.0 Overall Conclusions

13.1 The following key conclusions can be drawn from this study:

1. Cornwall has experienced high rates of economic and employment growth over the last decade, although some structural problems remain and future growth may be constrained by public sector spending cuts

13.2 Cornwall comprises a large rural area, with a polycentric network of relatively small settlements. The county's economy has been shaped by its geographic peripherality. However, the last decade has been one of significant economic growth with high rates of job and company formation and with unemployment having fallen to significantly below the regional and national rates. Furthermore, so far, Cornwall appears to have weathered the immediate impact of the recession better than other parts of the UK.

13.3 However, wages remain very low and there is seasonal dependence on low-skilled jobs, a relatively low proportion of businesses are knowledge-based, and a high proportion of employment is part-time. Going forward, public sector funding will become more constrained in the short to medium-term, which may impact to some extent on delivery.

2. Industrial demand is primarily driven by proximately to the A30 whilst office demand is highest in Truro, although there are also significant levels of latent demand across the county

13.4 Demand for employment space in Cornwall tends to be relatively local and the requirements are generally small-scale in nature. Most office stock is found in Truro although industrial is more evenly spread around the County, albeit that the A30 is a major driver of demand. Although the stock of floorspace has increased in recent years, the amount of privately-funded speculative development has been extremely small and almost exclusively confined to the office market in Truro.

13.5 Vacancy levels are low for both office and industrial space due to the historical lack of delivery of workspace. In particular, requirements were identified for a greater supply of small-scale flexible office workspace which is currently under-provided in some local markets. However, perhaps the most significant market gap is for serviced plots which allow business owner-occupiers to design and build their own workspace.

13.6 There is a significant amount of rural workspace provision both in terms of purpose-built workshop units as well as office and industrial conversion space. Although formal demand for such space is reported to be low, there are likely to be significant levels of latent demand for new workspace. This may also apply to live/work units, albeit that these are a relatively new format in Cornwall and demand is untested.

13.7 Plymouth is the only adjoining area which is likely to have any significant impact on the County's commercial property market, with the other adjoining districts lacking significant centres of population and employment sites. The 100+ ha of land which is allocated for employment development in Plymouth could potentially divert some demand from parts of east Cornwall such as Saltash. However, access to the large Plymouth economy is a key reason behind demand for commercial space in parts of South East Cornwall, particularly Saltash.

3. Amongst a number of economic drivers, CPR Regeneration, Newquay Cornwall Airport and the Clay Country Eco-town have potential to significantly alter the demand and supply of employment land

13.8 There are a number of major developments and initiatives, both planned and underway, that will impact on Cornwall's future economic potential. These include growth of Newquay Cornwall Airport, the regeneration of Camborne, Pool and Redruth, Combined Universities Cornwall, the Clay Country Eco-town proposals, the Convergence programme of Strategic Investment Frameworks, as well as a series of smaller scale more local projects.

13.9 In terms of employment space, the CPR Regeneration, Newquay Cornwall Airport and Eco-town proposals are likely to have the largest impacts both in terms of increasing the supply of workspace and in providing general economic stimuli which could raise demand for industrial and office premises. The additional population envisaged for the county as a result of the eco-town proposals in particular, but also more general housing development envisaged by the emerging Core Strategy, means that there should be a much greater supply of labour. However, at this stage the precise details of the employment premises components of the eco-town and airport proposals in particular are unclear and their impacts are therefore hard to estimate. Nonetheless, the combined effect of these schemes in addition to the other projects detailed above suggest that a higher rate of job growth is likely to be possible than that suggested by job forecasts based purely on current economic trends.

4. Differing methods have given a wide range of options for Cornwall's future employment land requirements, but a total of an additional 150 ha has been selected as the preferred estimate for planning purposes

13.10 Four scenarios of future employment space requirements have been prepared. The job forecast-based scenario estimate of 30 ha is clearly too low for the whole county, representing an average of less than 4 ha per TTWA over the total 20 year LDF period. This is significantly lower than the other three estimates and is likely to be because the forecasts were commissioned when the UK economy was still in recession. Providing only this amount of land would fail to provide sufficient workspace development opportunities to serve the local economy and could stifle potential growth. Conversely, the Past Employment Trends Scenario estimate of 251 ha is evidently too high. This view reflects the fact that job growth in Cornwall over the past decade has been relatively high, with unprecedented national rates of economic growth and high levels of European convergence and other funding support.

13.11 The over-allocation of land could potentially result in its inefficient use, and also raises concerns over the deliverability of workspace. For example, this might result in land that could be released for other uses being held back, resulting in less sustainable or suitable land being needed. Therefore, this level of employment allocation might be detrimental to the whole strategy. There could also be a risk of sending mixed messages about where to focus investment, with the result that supply of employment space becomes spread too thinly and consequently does not achieve sufficient critical mass in a smaller number of locations.

13.12 In contrast, the Past Take Up and Labour Supply scenarios both point to a requirement of around 135 ha for the County, which lies close to the middle of the “book-end” range identified above. These potentially represent the most reliable approaches because they combine both past trends (actual development rates, not employment growth) but are also forward-facing in taking account of the jobs required to match Cornwall’s future labour supply.

13.13 On this basis, planning for an overall quantum of 150 ha of employment land for Cornwall is considered most appropriate and is recommended as the preferred approach at this point in time. This will allow for relatively unconstrained growth and balances the need for the provision of sufficient land against the importance of not over-allocating land that may have limited prospect of coming forward. It should be noted however that this is not intended to act as a ‘cap’ on the overall quantum of employment land to be provided and if possible, a higher amount of land should be delivered to the market, albeit that this appears unlikely to occur under current economic conditions. Windfall sites, especially town centre redevelopment opportunities which have not been considered in detail in this study will be important components of future supply, and would be in addition to this 150 ha figure. Ultimately, it will be a judgement for the Core Strategy depending on the specific economic opportunities and site circumstances which exist in different locations, balanced against pressures from other land uses as well as other Core Strategy objectives such as housing requirements.

13.14 Having established the overall quantum of future employment land in Cornwall to 2026, it is necessary to apportion this requirement across the eight TTWAs split between office and industrial uses. Taking the split between office and industrial land first, the Experian job forecasts actually predict a decline in office space in future, indicating that all new development land should be for industrial use. However, this is at odds both with past trends and with emerging Council policies which aim to promote knowledge-based industries and office development in some locations. Development rates over the last decade (98-08) indicate that the annual increase in office floorspace was very similar to that of industrial and as a result, the total 150 ha requirement has been split equally between office (75 ha) and industrial land (75 ha). This has then been disaggregated by individual TTWA using floorspace stock levels as shown in Table 13.1. It should, however, be noted that the spatial and sector breakdown has considerable potential to be altered by varying market pressures and demand, as well as unforeseen development opportunities and site circumstances.

Table 13.1 Net additional land requirements under the preferred planning scenario

Travel To Work Area	Office Land (B1)		Industrial land (B2/B8)		Total (ha)
	% of Total	Net Land Needs (ha)	% of Total	Net Land Needs (ha)	
Bude	3%	2	3%	2	**4**
Falmouth & Helston	8%	6	11%	8	**14**
Launceston	4%	3	8%	6	**9**
Penzance	10%	8	10%	7	**15**
Saltash & Torpoint	3%	2	9%	7	**9**
St Austell	28%	21	32%	24	**45**
Truro	41%	30	24%	18	**49**
Wadebridge	3%	3	4%	3	**6**
Total	**100%**	**75**	**100%**	**75**	**150**

Source: NLP Analysis

5. There is estimated to be 206 ha of undeveloped employment land in the county, although much of this is on a small number of large sites

13.15 A total of 269 developed, allocated and potential employment sites have been assessed through the Cornwall County site survey. Of the 778 ha of existing developed land supply estimated by this survey, the vast majority was assessed to be either of good or average quality with just 3% being of poor quality.

13.16 However, it should be noted that many of the poorer quality sites are occupied and serve a local need at some level, particularly in the rural areas. These include some bad neighbour uses or firms requiring very low cost premises/sites, and replacement provision would need to be ensured for them if they were to be lost from the supply. Unless current uses are causing environmental or amenity impacts for nearby residential properties, and there are suitable relocation sites, there should be a policy presumption against the loss of such sites.

13.17 Following this initial site survey, NLP were instructed to further investigate sites which were identified by the Council as containing undeveloped employment land. This process has estimated that within the sites identified there is a total of approximately 206 ha of undeveloped employment land. This compares to the 254 ha amount previously estimated as part of the 2007 Employment Space Strategic Assessment, although due to differences in the site survey methodology it does not follow that 50 ha of supply has been lost or developed in the last four years.

13.18 The distribution of the identified supply broadly matches that of the exiting land supply, with nearly two-thirds lying within the largest TTWAs of St Austell and Truro, Camborne & Redruth. Of the 206 ha of deliverable supply, 99 ha was deemed to be deliverable within the short term (next 5 years), a further 60 ha in the medium-term (5-10 years) and 48 ha in the long-term (10-16 years). Although the supply contains a large number of small sites, the overall quantum of land is heavily dependant on a small number of large sites coming forward. For example, the largest 11 sites which are all over 5 ha in area account for more than half the total supply (105 ha).

13.19 The type of premises which the land supply is likely to deliver has also been assessed and shows that the majority of the deliverable supply is most suited to industrial uses (138 ha) with a smaller amount suitable for offices (68 ha) if it is assumed that mixed-use sites come forward in a 50:50 office to industrial ratio. However, given that a large proportion of supply (117 ha) is suitable for mixed B-class uses, this split between office and industrial has considerable flexibility to respond to market or policy imperatives.

13.20 A ‘worst-case’ supply scenario has also been tested which discounts a further 20% from the total to reflect the fact that other sites may not come forward for reasons other than physical constraints (e.g. as a result of differing owner aspirations and low development viability), although it does not seek to discount individual sites. In such a scenario, the potential supply of undeveloped land could reduce to 165 ha.

6. Although there is an overall surplus of land, there are shortages in some TTWAs, and concerns over deliverability mean that any surplus should be treated with caution

13.21 Comparing the 206 ha of identified supply to estimated demand shows that, except under the continuation of past employment growth trends scenario, the County would appear to have more than enough employment space in quantitative terms up to 2026, including for the preferred scenario. However, this assumes that all potentially available supply delivers floorspace within the plan period, and is attractive to developers/occupiers, which may not be realistic. There may also be additional (particularly office) floorspace which can be delivered on redeveloped and intensified town centre sites which have not been assessed through this study and on other “windfall sites”. These sites should be encouraged to deliver space where appropriate, and the 150 ha demand figure should be seen as a minimum target rather than a ‘cap’.

13.22 Based on the preferred demand scenario there is a shortfall of employment land in the Bude, Falmouth/Helston, Penzance, Truro/CPR and Wadebridge TTWAs and an oversupply in the remainder, particularly in St Austell and Saltash/Torpoint, as shown in Table 13.2.

Table 13.2 Demand/Supply Balance for Office and Industrial Land in Cornwall's TTWAs

TTWA	Offices				Industrial			
	Requirement to 2026 (ha)	Available supply (ha)	Surplus (+)/ Shortfall (-) (ha)	Overall Balance	Requirement to 2026 (ha)	Available supply (ha)	Surplus (+)/ Shortfall (-) (ha)	Overall Balance
Bude	2	0	- 2	↓	2	0	- 2	↓
Falmouth & Helston	6	6	0	↔	8	6	- 2	↓
Launceston	3	0	- 3	↓	6	16	+ 10	↑
Penzance	8	2	- 6	↓	7	10	+ 3	↑
Saltash & Torpoint	2	9	+ 7	↑	7	20	+ 13	↑
St Austell	21	36	+ 15	↑	24	45	+ 21	↑
Truro	30	10	- 20	↓	18	33	+ 15	↑
Wadebridge	3	6	+3	↑	3	6	+3	↑
Total	**75**	**68**	**- 7**	↓	**75**	**138**	**+ 53**	↑

13.23 However, qualitative considerations (including current market conditions and expected economic drivers) mean that in many locations, the stated quantitative oversupply should be treated with some caution, particularly given concerns over deliverability.

7. Non-B class sectors are vitally important to Cornwall's economy in terms of jobs, although a high-level suggests that the land requirements are expected to be relatively modest

13.24 Non-B class sectors account for a majority of the county's jobs, although their future land requirements are expected to be generally modest. This is partly because many will utilise land already held by the relevant provider or because the use can be incorporated within mixed use developments, often in town centres. The largest requirements are likely to arise from the retail, transport, sports and minerals, waste and electricity sectors. However, estimates calculated within this study should be treated with a degree of caution and should be tested through detailed sector studies and an assessment of possible development sites for each type of activity.

13.25 Truro, Redruth and Camborne are forecast to have the highest amounts of non-B class job growth followed by St Austell, with the remainder spread fairly evenly across the other TTWAs.

8. Despite the surplus of land, development viability is relatively low and a variety of policy options should be therefore be explored to help bring forward employment space

13.26 There is forecast to be an oversupply of employment land in many travel-to-work areas, particularly for industrial space, which could indicate scope to release some existing employment land to other uses or reduce undeveloped allocations. However, a cautious approach is required to managing the competing pressures on employment sites within the County to ensure that there is sufficient deliverable employment land to meet a variety of needs across different locations, particularly given the high levels of uncertainty surrounding much of the identified supply.

13.27 Steps should be taken to explore a wide variety of options to encourage the completion of workspace including public-sector subsidy, cross-subsidisation through mixed-use development, taking a flexible approach to S106 agreements and mechanisms to provide greater policy certainty such as LDOs.

13.28 Renewal and intensification of older sites should be encouraged to ensure that they contribute positively to meeting some of the County's future growth requirements, but taking account of the particular constraints that apply on individual sites.

9. A range of additional monitoring measures are needed to ensure that the Council meets national standards and can update the findings of this study

13.29 Monitoring information on employment land was previously collected by the six former district authorities which existed prior to the establishment of the Cornwall unitary authority. Differences in approach between each of the former districts means is currently difficult to draw a comprehensive and consistent picture of past employment land trends across the County, although the first Cornwall-wide AMR has started to address this.

13.30 Not all of the relevant employment land indicators are currently being measured; therefore it is recommended that the Council establishes systems to monitor those not currently considered. A range of additional monitoring arrangements have also been suggested to help provide greater local insight into employment land delivery and the types of jobs created. Outputs from this study, particularly the process of site assessments and deliverability analysis, should be periodically updated in future as part of a plan, monitor and manage approach, and to help manage the current uncertainties around the future level of employment growth and take-up following the period of national recession.

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