

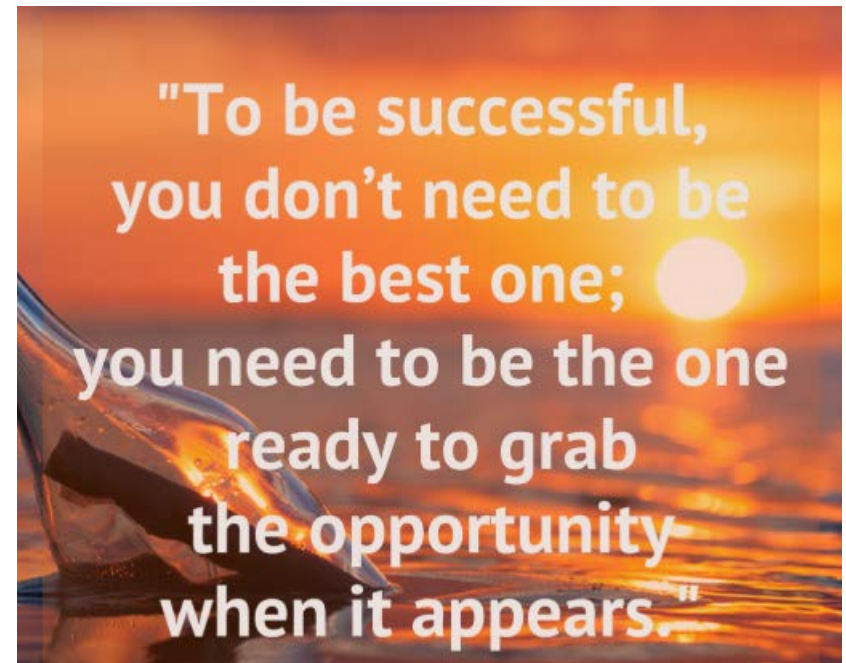
Opportunity Knocks

Understanding the opportunities and limitations of the planning system in creating prosperity and employment

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The Key Questions

Do you really understand the past?

What is business as usual?

What are the bounds of realistic future scenarios?

What are the game changers and tipping points?

Who are the key players?

Understanding your Economy – The Past

- Cherish the corporate memory
- Network internally and externally
 - *within your authority*
 - *across local authorities and with the LEP*
 - *consultants, agents, academics, business*
- Value consultants that know your patch
- Know your history and current position

Understanding your Economy – The Past

- **Focus first on the FEMA economy**
- **Employment, Enterprises, Labour Force, Population, Travel to Work**
- **Business Space, Infrastructure, Housing**

Understanding your Economy – The Past

- **Past performance – choose start-end dates with great care!**
- **The business cycle – peak to peak/trough to trough**
- **Watch out for anomalies/changes in ONS Data**
- **Develop positive relationships with agents, investors, occupiers , the LEP**

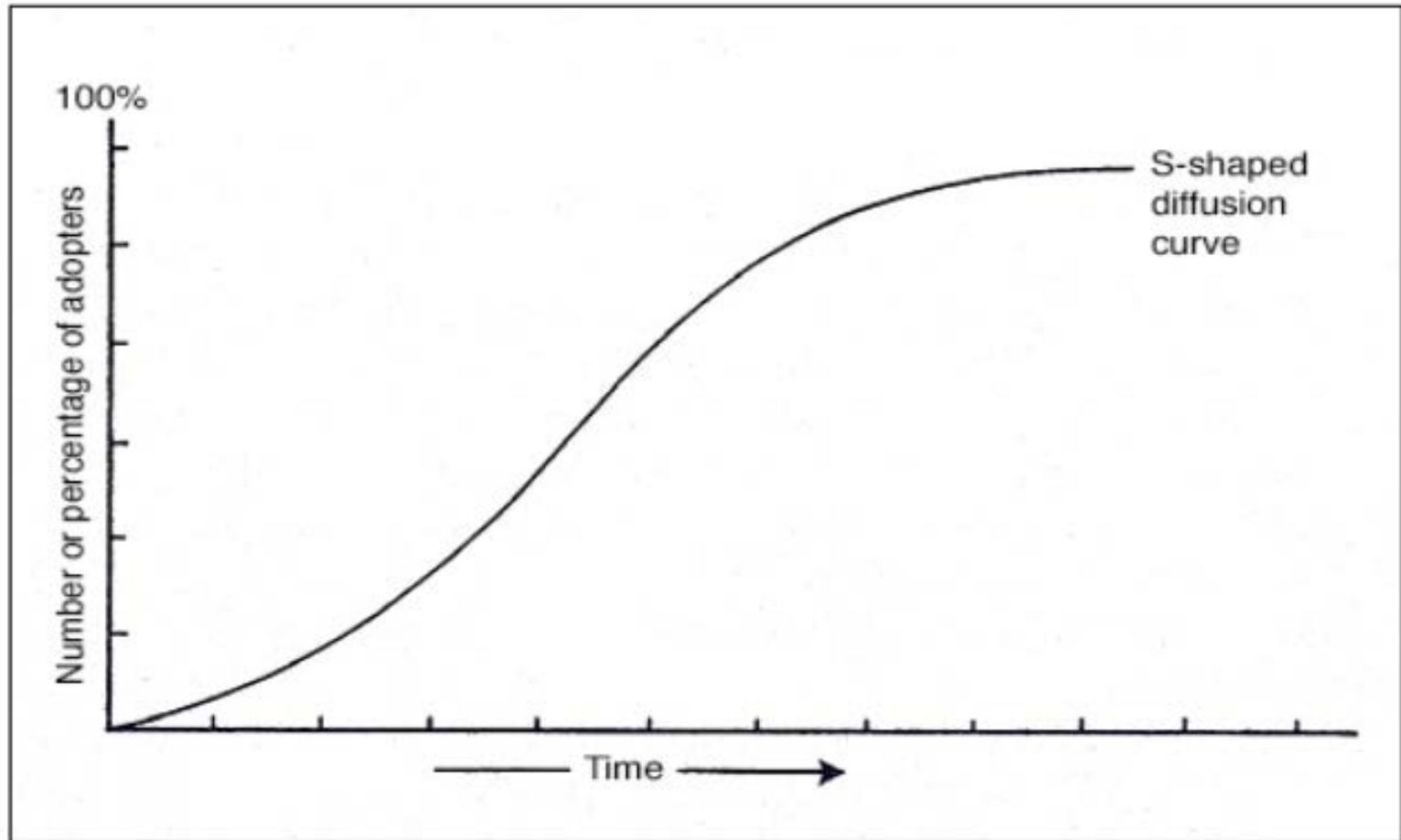
Forecasts of Future Employment

- **Future Employment Growth – be sceptical**
- **Compare Forecasts – from different providers**
- **Are there any game changers?**
- **Handling Brexit & Election Uncertainty**

New Property Products

- **Co-Working Space - new format of office space**
- **Likely to reach saturation soon...**
- **...as mainstream occupiers provide the same facilities**
- **Hybrid space increasing attractive ...**
- **...combining production/storage space and offices**
- **On the horizon? Residential above B class space**

Beware Forward Projection of Past Growth in New Property Products



Avoid ELR Bear Traps

- **Employment Land is not exclusively used for B class uses**
- **B class land is often used for Sui Generis and D Class Uses**
- **Different employment uses seek different types of location**
- **Sites for employment uses need to be deliverable**
- **Take into account replacement demand**
- **Address the qualitative requirements of B class users**

What Does Business as Usual Look Like?

The Knowns and Known Unknowns

- Cities remain favoured locations for office and R&D use – high accessibility locations
- ... as the talent pool is essential to higher value added functions
- The cost of central locations is driving out creative industries and high-tech manufacturing
- ... perhaps to new 'edgy' industrial locations. An opportunity?
- Authorities need to work flexibly with such businesses to secure space

What Does Business as Usual Look Like?

The Knowns and Known Unknowns

- Continued growth of on-line shopping...
- ... but slowing rate of growth
- Automated warehouses, built tall, many fewer warehouse jobs, less space hungry?
- A substantial need for last mile distribution centres...
- ... more workers until, and if, delivery by automated vehicles/drones kicks in...
- ... expect delays over legal and security issues (eg drone use tightly controlled)

What about Rural Enterprises

- Makes sense to concentrate sites in key centres
- ... where can connect directly to fibre broadband
- ... rather than wait for 5G broadband
- A hierarchy of employment locations
- Engage with the local business community
- Different solutions in different locations
- Development may require pump-priming (viability)
- Cost-benefit considerations

The Bounds of Realistic Future Scenarios

The STEEP Framework

**Social, Technological, Economic,
Environmental, Political**

The STEEP Framework

- 1. Social:** Social fragmentation, identity defined less by national or local connections, and more by global networks of the like-minded
- 2. Technological:** The impact of AI on employment; the hour glass economy?
- 3. Environmental:** Major capital investment in carbon reduction – labour intensive?
- 4. Economic:** A global economy characterised by pseudo free-trade, linked to trading blocks
- 5. Political:** High Levels of Uncertainty – impact on investment

Post Election

- Major infrastructure (renewable energy)
- Public sector procurement of housing (Labour)
- 5G roll out – impact on rural areas
- Long lead in time for many manifesto promises
- Significant work force implications (net immigration and skills development)...
- Mitigated by AI? Reduction in need for offices?
- Impact on international inward investment
- Financial markets
- Cost of public sector borrowing

Implications for Employment Land

- Additional large sites for energy project construction
- Industrial (B2) sites for modular housing production
- Multiple small sites for housing retrofit
- Facilities for construction training
- Grade 1 offices in major city centres
- AI may release low value office space/ redevelop?
- Change in land requirement for B8 uses...
- ... but enhanced need for small distribution depots
- Significant requirement for B1c/Hybrid space

Key Issues

- The importance of long term (30 year) planning
- Cities will continue to be the key drivers of growth...
- ... so need to plan for City regions
- Infrastructure is the key enabler of growth
- ... movement of people, goods, and ideas
- The economic and social effect of climate change
- The impact of AI on UK employment
- Evolution not revolution of workspace

Questions, Comments and Debate
