TOPIC PAPER: EMPLOYMENT ISSUES

National Policy Context

There are a number of national policy guidance documents issued by Central Government to advise and guide Local Planning Authorities on employment issues. PPS 12 *Local Development Frameworks* does not set out specific objectives, but rather provides advice on the preparation of LDDs with the emphasis that Local Authorities should ensure conformity with strategies and policies proposed in the relevant Regional Spatial Strategy. PPS12 advises that the Core Strategy should set out the key elements of the planning framework for the development plan area and should draw upon all relevant strategies. Policies relating to employment land use in the Core Strategy will therefore have to take account of the *Regional Economic Strategy 2006-2015*. The Core Strategy is scheduled for adoption in September 2008. In the intervening period, planning policy has to conform with the relevant development plan document, which in this instance will be the 'saved policies' in the Penwith Local Plan.

Other obvious sources of planning policy advice from central Government relating to employment land use are to be found in PPG4 and PPS7. PPG4, *Industrial and Commercial Development and Small Firms* emphasises the need for development plans to take account of both the locational demands of business premises and wider environmental objectives, including the siting of employment land to maximise use of existing infrastructure, the reuse of previously developed vacant land and the reduction in car use. PPS7, *Sustainable Development in Rural Areas* covers a wide range of issues relating to rural economic development and the promotion of sustainable patterns of development including: agricultural development; the protection of the best agricultural land; land use change, farm diversification, rural businesses; tourism; sports and recreation.

Regional Policy Context

Regional Planning Guidance for the South West (RPG10) identifies the need to encourage economic development throughout the region, advising the need for development plans to make provision for land supplies to meet anticipated future employment related growth. The guidance emphasises the need to distribute major economic development around major urban areas while recognising the potential for small towns to provide employment for their own populations and the surrounding rural areas.

Regional Planning Guidance 10 for the South West Region will soon be replaced by the Regional Spatial Strategy (RSS) which is currently awaiting adoption pending ammendment after the EiP Panel Report (December 2007). The RSS will provide the regional spatial strategy and objectives for land use planning in the south west region for the next 20 years. In the RSS the emphasis of situating key sector growth for the County in Camborne-Pool-Redruth is carried forward. The RSS recognises three Strategically Significant Cities and Towns (SSCTs) in Cornwall which make up the so called 'golden triangle', comprising Truro, Falmouth/Penryn, and Camborne / Pool / Redruth (replacing the hierarchical PUA of the Structure Plan).

Like the 2004 Structure Plan, there is no guidance or target set aside for industrial provision on a district level, the strategic spatial distribution of key sector facilities being allotted to specific areas identified as important in terms of achieving the criteria of sustainable development. All of Penwith's towns and villages, excluding Penzance, St Ives and Hayle (*Development Policy B*), will be covered by *Development Policy C – Development in Small Towns and Villages:-* This policy states that development will be appropriate where it:

- *supports small scale economic activity which fits the scale of the settlement and can accommodate the future growth of businesses in the development permitted;*
- *extends the range of services available including outreach delivery of services, making use of existing premises where possible;*
- *does not significantly increase traffic on local roads and where traffic implications can be demonstrated to be acceptable;*
- *promotes self containment, strengthens local communities and helps to support key services*

Section 8 *Enhancing Economic Prosperity and Quality of Employment Opportunity* relates to business development. Paragraphs which particularly affect Penwith relate to improving the skills base, accessibility in rural areas and homeworking. There is also a section on sustainable tourism.

Para.8.1.9 *Parts of the South West, particularly some of the more rural western areas, are characterised by low wage/low productivity/low skill occupations. Developing the skills and general capacity of the workforce is an essential element of any strategy to encourage the establishment of more successful, innovative and competitive enterprises in these areas.*

Para 8.2.4 *Growth of small businesses in rural areas will inevitably need to be based in sustainable and accessible locations to avoid pressures on local environments and roads. LDDs will need to facilitate the provision of alternative accommodation at better connected locations, for example the market towns, where appropriate.*

Para 8.2.5 *Accessibility to Broadband and future information communication technologies will continue to play an important part in helping to reduce issues of remoteness for rural firms and businesses in the far South West and should help to reduce the need to travel in the region... In order to reduce the need to travel, it will also be important for new homes to be built with live/work space to enable home working.*

Para.8.5.10 *new tourism development should be encouraged to improve quality, and attract additional visitors based on realistic, and well evidenced, measures of demand in most locally accessible locations. This would include appropriate small-scale schemes in more rural areas where they will assist the diversification of the economy.*

Subregional (County) Policy Context

County policy guidance on employment land use is carried forward from RPG10 into the Cornwall Structure Plan, which will be replaced as the statutory development plan document by the adopted RSS.

The 1997 Cornwall Structure Plan emphasised the need for District Authorities to make provision of land for employment use based upon a job based forecast and the past take up of allocated land. The job based forecast comprised of the projected growth of the economically active population, an allowance for reducing levels of unemployment and the assumed growth in the proportion of new jobs located on industrial/employment estates.

Policy E1 therefore requires that about 30 hectares of land should be provided for industrial development in Penwith for the period 1991-2011. This figure takes into account the physical and environmental constraints of the district and an increased job requirement over the ten year period of 3,550.

It is important that the potential from locally grown new business starts and job creation from inward investors is factored into the forecasting model too, particularly as the Convergence programme will support enterprise development and inward investment as positive outcomes of investments.

However the 2004 Cornwall Structure Plan (which supercedes the 1997 version as the relevant development plan document) refrains from providing target figures for industrial land provision in Penwith. Instead a more strategic spatial planning emphasis is adopted in Policy 12 which states that:

> *A range and choice of marketable and quality sites for employment should be made available based on assessments of likely demand from existing and new firms, the need for employment in the locality, the suitability of sites in terms of their prospect of development and accessibility by all modes of transport......... Land for employment should be retained, and sites in Local Plans should be reviewed for alternative uses where development for employment is no longer likely to be appropriate or feasible.*

Furthermore it is stated that industrial development should be focused on the provision of Major Strategic Sites (MSSs) as referred to in Regional Planning Guidance 10. MSSs are to be sites of between 12-50 ha which will facilitate and provide for key sector growth (industrial, tourism, and higher education) in the Principle Urban Areas (PUAs) and in particular the Principle Regeneration Area of Camborne-Redruth. The 2004 Structure Plan summarises the new spatial strategic approach as follows:

> *Major employment needs will be focused on regeneration throughout the Camborne-Pool-Redruth area and in other towns in Cornwall; individual sites would not complement this approach. The demand for such a scale of development in a single location is not supported by the evidence.*

Pursuing this aim excludes the fact that a quarter of the Penwith business stock is in the creative industries, characterised by a predominance of micro businesses with specific business growth support needs and many are located in areas of rural isolation.

Local Policy Context

The District Council, as the local planning authority, has a responsibility to ensure that economic growth is achieved through the Local Plan (and the successive Local Development Framework) process and through the determination of planning applications. The Local Government and Housing Act, 1989, gives local authorities specific powers to achieve economic growth. One of the ways in which local authorities are able to spatially plan for economic growth is through the allocation of land for employment use.

The Council's approach to the provision of employment land is:

- to focus employment related development in or around the main towns of Penzance, St Ives and Hayle where greater accessibility to the A30 corridor and the strategic public transport network to achieve undue reliance on car use;
- to promote smaller scale economic growth on the edge of the larger villages to maintain the vitality or rural communities;
- to maximise the use of existing sites and the re-use of buildings which are appropriately located and suitable for continued or change of use to industrial or business use.

The Penwith Local Plan identifies a hierarchical approach to distributing the allocation of industrial land to ensure sustainable development. This approach is outlined in policies: E-2 (in or on the edge of the towns of Penzance, Newlyn, St Ives, Hayle and St Just); E-3 (in or on the edge of villages); E-4 (conversion of existing buildings); E-10 (safeguarding of existing sites). Key Policy E-1 further emphasises that industrial and other business development should make efficient use of land and buildings:

> *The major employment needs of the district should be met by available industrial land and the sites proposed in the Local Plan.*

Paragraph 9.3.55 of the Penwith Local Plan sets out the strategy for the delivery of employment land up to 2011:

- *the identification of at least one industrial estate location, beyond that currently available;*
- *provision for industrial uses not appropriate to the town centres or other sites within towns;*
- *provision for uses not likely to be compatible with other business uses on industrial estates, and*
- *the retention of serviced industrial estates and other key sites, as well as small industrial sites and individual premises, for industrial and business uses.*

Funding

The Location of the district at the south western tip of the South West Region at the end of the A30 corridor, has historically made it difficult to attract new businesses and financial investment into the area. The disadvantages of the area's economy have been recognised in a number of Government and European financial initiatives aimed at attracting financial assistance to deprived areas. Thus in July 1999, Cornwall and the Isles of Scilly qualified for assistance through the European Objective One designation, covering the period 2000-2006. The Objective One Structural fund targeted areas where prosperity as measured by GDP per capita, is 75% or less than the European average. A total figure of approximately £314 million pounds were made available for economic and social regeneration in the County.

The Objective One funding programme was succeeded by the new Convergence Programme for Cornwall and the Isles of Scilly in April 2007 (excluding ongoing projects) with an allocated fund of 458.1 million Euros for the period 2007-2013. Unlike the former programme, the new funding programme is based on GVA rather than GDP, which, in terms of the increase in population and consequently employment in the County, has also increased. The key measures of productivity is however based on GVA per worker which has so far not been assessed. The recently completed (July 2007) Employment Space Strategic Assessment (ESSA) commissioned by the Cornwall and Isles of Scilly Economic Forum assessed the current supply and demand of employment space in the County using a forecast model based on GVA growth scenarios. The assessment found that current provision constrained economic growth in terms of a deficient supply of purpose built modern serviced employment sites and that the delivery of such sites could only come forward through the incentive of gap funding to attract private sector investment.

Employment

The Local economy is characterised by low average earnings in comparison to other parts of the UK. The average gross weekly pay for those working full time in Penwith is £304.10, which is £128 (29.6%) lower than the national average and £96.90 (24.2%) less than the South West regional average rate of pay.

Penwith's working age population is approximately 37,200 or 57.6% of the population, which is 2% below the regional average and over 4% below the national average. This is indicative of an increasingly ageing population and the attractiveness of the district as a retirement location for elderly inward migrants. Of the working age population, 26,700 are economically active (74.2%), which is 6.6% below the regional average of 80.8%, and 4.1% below the national average of 78.3%.

Penwith is also characterised by a higher percentage of self employed people in the working age population, 14.8%, which is 4.2% higher than the regional average of 10.6%, and 5.7% higher than the national average of 9.1%. The South West Cornwall Profile (March 2005) found that higher levels of self-employment were apparent in more outlying areas, where there were also high percentages of people working from home. This underlines the need for people in isolated communities to find alternatives to traditional employment, but may also reflect the high level of entrepreneurship in sectors such as the creative industries and tourism that are prevalent in these areas.

The current unemployment rate of 5.8% of the economically active population of the district is one of the highest rates in the UK, which is 2.2% more than the regional average of 3.6% and 1% higher than the national average of 4.8%

The Annual Business Enquiry measures the annual change in the number of jobs, which can be seen as an indicator of movement in the labour market. The number of jobs in Penwith increased between 2003 and 2004. An additional 370 full-time jobs were created in this period, although this was partly offset by a reduction in part-time jobs (80 fewer part-time positions). However, increases in the number of jobs does not necessarily strengthen the local economy; job quality, pay levels and worklessness are more important issues in the current labour market conditions.

It is critical that the district fosters a culture of enterprise within its population, including investment in youth enterprise initiatives. Despite the district having a higher than average percentage of self-employed persons, the low profitability levels indicate low levels of entrepreneurship skill. As Penwith also suffers from a persistent worklessness issue among those in receipt of incapacity benefit, it is important that local actions enable workless people to gain access to support to help them back to work.

In a recent business survey, employers reported the main skill shortage is 'finding staff with the right attitude and aptitude' as opposed to a lack of sector specific skills. This needs to be addressed from the classroom to employment via a range of employability initiatives.

The Economy

The economy of Penwith is characterised by a high number of small or medium sized enterprises (SME's) of between 10 and 200 employees, but more typically of micro-businesses with less than 5 employees.

Since 1981 employment in the service sector has increased whilst manufacturing, fishing and construction have continued to decline. In 2004, 87.3% of all positions in Penwith were in the service sector (which includes hotels, restaurants, tourism, finance and public administration) this is significantly higher than the regional average of 81.8%. There is also a marked seasonality in unemployment levels with a difference of over 3% between January and July rates in 2001. The service sector is highly reliant on the buoyant tourism industry especially in the summer months.

Table 2 – Business Sectors by % of Employment

Labour Force by Category	*Penwith (employee jobs)*	*Penwith (%)*	*South West (%)*	*GB (%)*
Total employee jobs	20,460	-	-	-
Full-time	11,700	57.2	63.9	68.0
Part-time	8,761	42.8	36.1	32.0
Manufacturing	**1,356**	**6.6**	**11.6**	**11.9**
Construction	**517**	**2.5**	**4.6**	**4.5**
Services	**17,864**	**87.3**	**81.8**	**82.1**
Distribution, hotels & restaurants	7,659	37.4	26.9	24.7
Transport & communications	694	3.4	4.9	5.9
Finance, IT, other business activities	2,919	14.3	17.0	20.0
Public admin, education & health	5,364	26.2	28.3	26.4
Other services	1,227	6.0	4.6	5.1
Tourism-related	3,706	18.1	9.1	8

Source: annual business inquiry employee analysis (2004)

Tourism

It is estimated that Penwith receives over 790,000 staying visitors and approximately 2.8 million day visits per year during a season which now extends far beyond the summer months. Penwith's tourism industry is almost entirely dependent on the wealth and diversity of the district in terms of its landscape, archaeology, ecology, culture and artistic traditions.

Tourism makes a substantial contribution to the District in terms of injecting money into the local economy and creating job opportunities. The hotels and catering sector alone contributes 11.6% of the economy in Penwith. Tourism expenditure in Penwith totals approximately £230 million per year. Tourism can help sustain other sectors of the local economy and support services and facilities which might otherwise be considered marginal. Tourism is now the single largest employment sector (supporting 34% of all employment in Penwith and 19% of households derive their income solely from tourism but the industry brings with it problems of low wages, insecure employment patterns and seasonality.

The Penwith Local Plan considers that the natural physical features of Penwith together with its culture and heritage form the main reason for attracting visitors (the primary attractions). Other attractions which are more commercially orientated (the secondary attractions) can form an integral part of the holiday, but it is considered paramount that the strong identity of Penwith is not devalued by a proliferation of secondary attractions and that tourism potential can be realised without compromising Penwith's character and qualities.

Agriculture

According to the Agricultural Land Use Census (2004) conducted by DEFRA the total farmed area in Penwith was 23,419 hectares. The total number of holdings in   Penwith (not including inactive farms at the time of the census) was 651. The majority of holdings in Penwith are small about 570 are less than 20 hectares. The predominant land use in Penwith is grazing for livestock. According to the 2004 agricultural census the livestock in Penwith comprised approximately 27,300 cattle (about 7,600 were dairy cattle), 1500 pigs, 4,000 sheep and about 150 goats.   Although declining, agriculture is still of substantial economic importance to Penwith. According to the 2001 census 5.4% of the working population were employed in agriculture, forestry, hunting or fishing.   The emphasis for funding in agriculture has shifted from maintaining and increasing production towards biodiversity and protection of the environment, with funds made available through the West Penwith Environmentally Sensitive Area (ESA) and Countryside Stewardship (CS) schemes which encourage traditional farming methods.   The West Penwith ESA is one of the most successful schemes in Europe with a 90% take-up from farmers in the locality who operate within the scheme area.

The most significant element of change to the West Penwith landscape has been the intensification in horticulture, particularly for early vegetable production in the south and east of the district. This has resulted in the loss of field boundaries.

Strategies to revive the farming industry have encouraged diversification as a method of boosting farm incomes. In Cornwall it is estimated that 58-60% of farmers have diversified their businesses (Centre for Rural Research, University of Exeter). Such measures include farm tourism and energy cropping.

Fishing

Fishing remains an important part of the local economy and is centred on the harbour   and market at Newlyn (where the value of landings of fish was £17.7 million in 2003, with activity at a lower level in other harbours in the District including Hayle, where there is an emphasis on shellfish. The EU has set fishing quotas to try and help conserve diminishing fish stocks. Whilst this is vital for the long-term sustainability of the industry, fishermen are experiencing widespread job losses and declining incomes. From the period 1995 to 2000 fish landings in Newlyn fell by 25.4%.

Significant improvements have been carried out to the harbour, market and other facilities at Newlyn in recent years and the Penwith Vision 2026 sets out the need for a modern fishing port with adequate facilities to support a sustainable fishing industry in Newlyn. The major regeneration proposals for Newlyn have a strong emphasis on the fishing industry, improved harbour facilities and the associated business and employment opportunities.

The Local Plan contains policies to encourage redevelopment of the Hayle Harbour area which includes the provision of improved port facilities which could improve fishing as well as other harbour related proposals.

Although the numbers in Cornwall employed directly and indirectly in fishing are modest when set in the context of the wider economy, in a number of communities a significant number of jobs are dependent on the industry. The industry is important in terms of keeping a number of ports and harbours as working facilities, and there remains further potential to develop opportunities based on the growing food and drink sector and high quality restaurants and hotels.

The Creative Industries

In 2000 Penwith District Council commissioned a study into the creative industry sector in the District. The Department for Culture, Media and Sport identifies the creative industries as those activities which link creativity, skill and talent to the potential for generating jobs and wealth through the exploitation of intellectual property. The creative industries are really a complex network of sub-sectors and includes the performing arts, publishing, advertising, crafts, design, film, video, television, art and antiques.

Penwith has a large cultural industries sector, the 2000 study estimated that between 8.7-15% of the workforce is engaged in the cultural industries, compared with 9.4% in manufacturing and 7.4% in agriculture, forestry and fishing. There are 938 known creative businesses in Penwith, which represents 25.3% of the 4,034 businesses that are registered for business rates in the District. This does not take into account micro-businesses that are not VAT or PAYE registered.

Despite its scale much of the cultural industries in Penwith is relatively fragile with a high proportion of under-resourced, low capital, marginal enterprises. The findings of the 2000 study were that, the sector is highly fragmented and dominated by micro- enterprises and it has a high proportion of self employment, freelance and part-time workers.

Regionally the creative industry sector is worth about £1 billion to the South West economy and contains around 21,000 creative businesses, 90% of which employ 10 or fewer people.

The 2000 study identified four priority areas for action;

- support for the growth of creative industries business clusters
- support for the strengthening of the freelance sector
- strengthening the production chain in key sub-sectors
- positive branding of Penwith as a creative district

The study also indicated that there is a lack of appropriate infrastructure (in terms of affordable workspace) for creative sector businesses to start up and expand. The council has begun to monitor the number of live-to-work units in the District and is encouraging developers to build more live-to-work units. The Penwith 20 year Vision recognises the potential of the creative industries to the district's economy and includes actions support the sector.

Knowledge Based Economy (KBE)

The knowledge based economy includes high technology industries based essentially on research and development and knowledge intensive service industries. Whilst employment in the KBE is still relatively weak in Cornwall, Penwith does have a high proportion of employees in this sector. In 2003 15.4% of the workforce were employed in the KBE (a rise of 19.8% since 1998, significantly higher than the UK growth rate of 10.4% over the same period). The growth in Cornwall's KBE reflects a large public sector and the growth of the education sector. New developments such as the increased provision of ICT and the development of the Combined Universities of Cornwall will create new opportunities to accelerate the growth of KBE employment.

Manufacturing

During the period 1998-2001 Penwith showed signs of high rates of growth of employees across the economy standing at an overall average increase of 10.8%. In the same period however the number of employees working in the manufacturing sector fell by 11.7%. The 2001 Census showed that the number of people in Penwith employed in the manufacturing sector was 1,503, of which 743 were employed in the towns (49.44%), 473 in the villages (31.47%), and 287 dispersed in rural locations (19.09%). This accounted for 8.35% of employees in the district. The Annual Business Inquiry Employees Analysis 2004 showed that by 2004 the percentage number of employees working in the manufacturing sector had decreased further by a loss of 147 jobs and accounted for only 6.6% of employees in the district (a drop of1.75% since 2001).

The economic position of the manufacturing sector in Penzance is however stable despite the fall in the percentage ratio of employees. Penwith's contribution to the overall manufacturing output of the County rose from 2.6% in 1991 to 5.6% in 2001, sustaining a growth of 3% in the intervening ten years. The key areas of manufacturing growth within Penwith were: Mechanical Engineering (19.9%); Timber and Furniture (17.3%); Rubber and Plastics (12.2%); Metal Manufacture (11.2%); Non-metal Manufacturing (8.9%); Other Manufacturing (8.7); Clothing (6.4%); Chemicals (5.6%); Paper and Publishing (3.3%); Other Metal Manufacture (3.2%). The key areas of negative growth included: Electrical Engineering (-1%); Instrument Engineering (-2.1%); Food, Drink and Tobacco (-3.1%); Transport Manufacture (-8.3%); Leather and Footwear (-19.9%).

Productivity

Gross Value Added (GVA) is used as an indicator of productivity per capita. The South West Region has outperformed the national average in terms of economic growth since 1993. However GVA is very low in Cornwall and the Isles of Scilly generally, being only 63% of the national average. It is estimated that the GVA for Penwith is £10,815 compared to £17,275 nationally (62.6% of the national average). Despite GVA being very low in Cornwall growth rates have been high at around 7% per annum since 1998, consistently above the national rate of 5% per annum. Penwith has seen a growth rate of 14%. This high growth rate may however be due in part to the very low starting value of the economy.

Provision of Industrial Land

The Penwith Local Plan was adopted in February 2004, prior to the adoption of the 2004 Structure Plan. Consequently the employment policies and proposals of the current Local Plan (which will remain the statutory development plan document until the adoption of the Core Strategy in September 2009) follows the remit of the 1997 Structure Plan in allocating land provision for predicted economic growth, giving priority to the creation of job opportunities to alleviate existing levels of unemployment and the estimated increase in the districts workforce up to 2011.

The District Council, as the Local Planning Authority, has a responsibility to ensure that economic growth is achieved through the Local Plan process and through the determination of planning applications. The Local Government and Housing Act, 1989, gives Local Authorities specific powers to achieve economic growth. One of the ways in which a Local Planning Authority is able to spatially plan for economic growth is by the allocation of Serviced Industrial Land.

In 1991 the total amount of industrial land provision in Penwith was 31.23 ha. Between April 1991 and March 2007 a further 12.08ha of developed industrial land was provided. The amount of land allocated in the Local Plan for industrial use (Proposals E-A – E-D) is 7.36 ha, and with the amount of industrial land under construction and with serviced planning permission (2ha and 4.44ha respectively) equates to a total of 18.52ha of industrial land provision since April 1991.

The figure as at March 2007 for industrial land provision since 1991 therefore equates to 25.88ha (12.08 plus 13.08), leaving a 4.12ha shortfall of the1997 Structure Plan target of 30 ha to be achieved by 2011.

The allocation, acquisition and servicing of land for serviced industrial estate development is costly in time and resources. It is therefore essential to identify where the future industrial land provision of 4.12ha is to be located and whether it should comprise of one large site or two or more smaller sites. In the consultation work for the Area Action Plans a number of sites situated close to the main towns listed in Policy E-2 and within access of the main A30 transport corridor will need to be identified and assessed against environment impact. It is likely that the land provision requirement could be achieved by a combination of extending the areas of one or more existing estates in addition to finding one or more new sites.

A Labour Supply Forecast Approach

Actual industrial provision requirements for the new development plan period from April 2006 to March 2026 are not stipulated in the draft RSS which anticipates that industrial capacity would be informed by forthcoming sub regional assessments. The ODPM guidance: *Employment Land Reviews* (2004) lists three types of forecast model which may be applied in determining the future demand for employment land:

- Labour Demand - regional and subregional sectorial economic and employment forecasts and projections;

- Labour Supply – demographically derived assessment of future employment need;
- Past Trends - analysis based on past take-up of employment land and or future property market requirements.

The consultants Amion were commissioned by the Cornwall and Isle of Scilly Economic Forum to undertake a strategic assessment on the projected need and supply of industrial space in Cornwall for the a portion of the plan period up to 2017 (to cover the period of the convergence programme) to inform on the delivery of potential new and the identification of improvement works required, on existing sites. The forecast model adopted in the Employment Space Strategic Assessment (ESSA published July 2007) was the Cambridge Econometrics model. This projection model is complex and subject to a number of variable assumptions and adjustments based on % scenarios of GVA growth (as required in the convergence funding programme). The variable growth rates of the economy by GDP% and UCO at a district level is are not included in the model. If the model is to be accepted as feeding into the LDF it will need to prove to be a robust evidence base to stand up to a test of soundness. For these reasons an alternative model is provided for comparison of results.

A previous model for forecasting employment land requirements adopted in the 1997 Cornwall Structure Plan was based on: projected growth in the economically active population; an allowance for reduced levels of unemployment; an assumed growth for the number of jobs to be located on employment land; and the likely density of jobs achieved on employment land. This model was the one adopted in the Penwith Employment Land Review (draft January 2008) in assessing the employment land requirements for the district over the new plan period 2006-2026.

The Structure Plan estimated the projected population growth of Cornwall for the development plan period 1991-2011, of which a forecast of the economically active population was derived (44.9%). Employment reduction was taken to be estimated at about 50% (taking the unemployment rate figure from January 1991). The total additional jobs therefore equaled economic active population plus 50% of unemployed figure at start of the strategy period. An assumed figure for the number of these jobs requiring space on employment land was taken as 40%. The likely density was estimated at 40 jobs per hectare of employment land.

Using the same formula for the period 2007 to 2017 we can derive a figure for Penwith to compare against the proposed forecast model for the ESS. Figures used are taken from up to date information provided by the Sustainability Appraisal Scoping Report: Appendix B: Evidence Base:

- In recent years the population of Penwith has been increasing at the rate of between 600 to 700 per year. The population in the district has been forecasted to increase by approximately 16% over the 15 years 2004-2021, an annual average of 680 per year from a baseline population figure of 63,800 in 2004. The lower forecasted figure for population increase will be adopted by the review (Registrar General's Parish mid term estimates 1981-2002 projected over the 20 year period 2006-2026), which forecasts an annual average increase of 440 per year or an overall projection of **8,800** over the development plan period;
- Taking the average current working age population of 57.6%, it is anticipated that of the 8.800 some **5,069** will be of working age;
- The Penwith economy is particularly characterised by a higher percentage of self employed individuals currently standing at 14.8% compared to the regional

average of 10.6% and the national average of 9.1%. As the review assesses employment land need by projected labour force requirements (employees rather than employers) this percentage of the working age population will also have to be deducted. 85.2% of 5,069 equates to **4,319**;

- Taking the mean percentage for the economically active at 74.2% we arrive at **3,205;**
- An allowance for unemployment reduction increases this total by 800 (50% of the 1,600 current unemployment figure) equates to a total of 4,005 rounded down to **4,000;**
- It is assumed that between 30-40% of new jobs will continue to be located on employment land. Taking the lowest assumption of 30% it is anticipated that some **1,200** jobs will require a land supply;
- An allowance for 40 jobs per hectare (1200 divided by 40) equates to an overall provision requirement of **30ha.**

The draft Penwith Employment Land Review identifies that the projected employment land requirement for 2006-2026 as projected by the labour force model (30ha) actually translates to a need of 16.33ha after applying a gap analysis of current undeveloped provision (6.44ha) and developed vacant supply (7.23ha)

Summary of Required Employment Land Supply 2006-2026

	Job Based Supply	Minus P.P. Serviced Supply	Minus Developed Vacant Supply	Total Additional Requirement for 2006-2017
Area (ha)	30	6.44	7.23	16.33
Floorspace (m^2)	71,684	15,182	17.156	39,346

Source: Table 20, Draft Employment Land Review (January 2008).

Continued Monitoring and Appraisal

As from the monitoring period beginning April 2007, industrial land availability on estate/serviced land will continue to be monitored as in previous years but extended to include all industrial sites and premises throughout the district, as required of the new National Core Output Indicators (NCOI) for input into the Annual Monitoring Report (AMR). As the new planning system of the Local Development Framework (LDF) is phased in to replace the Penwith Local Plan over the next three years, the monitoring of industrial land provision will undergo various changes according to the requirements of the new monitoring system. Hence for example, floor space and Use Class Order will have to be monitored in more detail then previously required.