

Economic Evidence to Support the Development of the OAHN for West Essex and East Herts

Final Report

Prepared for the Cooperation for Sustainable Development Board

September 2015

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Executive Summary

Hardisty Jones Associates (HJA) was commissioned to provide economic evidence that will be used to help calculate the Objectively Assessed Housing Need (OAHN) within the West Essex and East Hertfordshire Strategic Housing Market Assessment. It has been commissioned by the Cooperation for Sustainable Development Board comprising members of four local authorities: East Hertfordshire District Council, Epping Forest District Council, Harlow Council and Uttlesford District Council. The economic evidence needs to be robust and objective. The evidence and subsequent OAHN should then be used to inform the policy-making process.

HJA has looked at historic job growth and projections of future jobs growth at the Strategic Housing Market Assessment (SHMA) area level. We have then suggested how this projected growth might be distributed across the four Local Authority areas. This is a 'policy-off' approach and is a starting point i.e. it does not account for any policies that the Local Authorities may choose to implement to alter the future scale of growth or distribution of jobs.

The results of this analysis and the indicative distribution of jobs across the four Local Authority areas are intended to inform each Council and help them to individually and jointly develop a policy approach to future jobs growth.

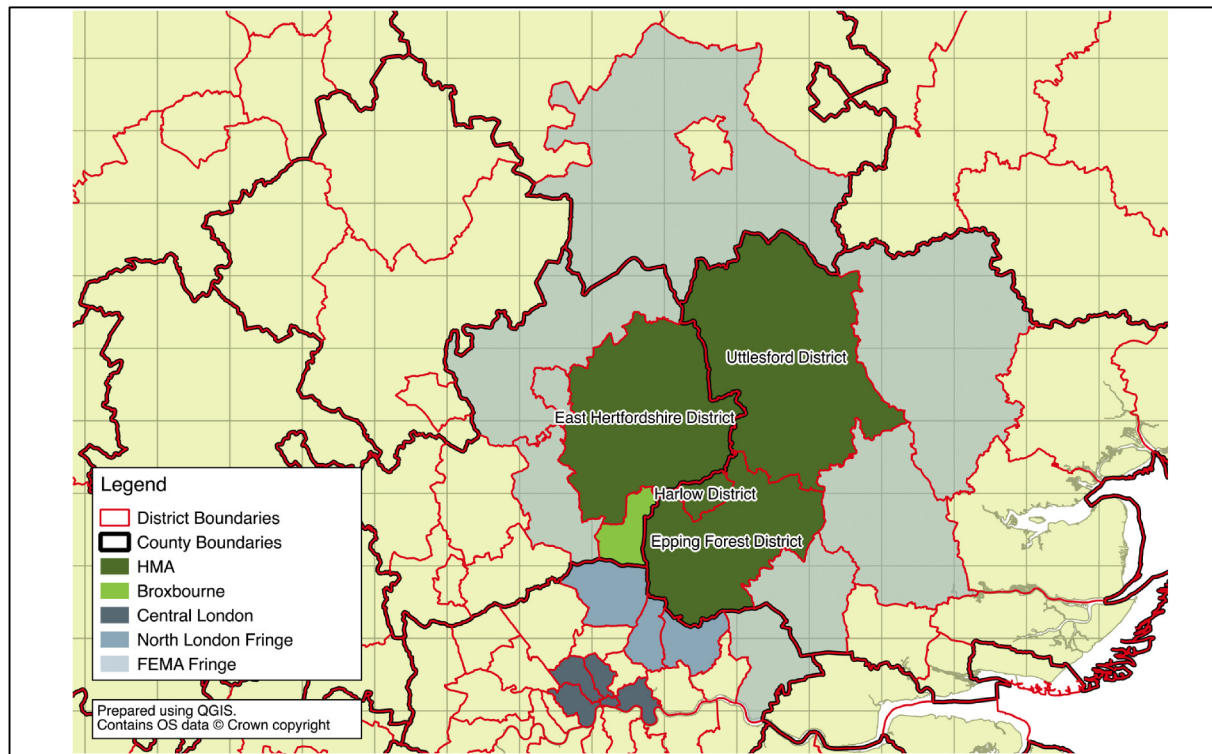
The FEMA and the SHMA area

HJA was asked to consider the extent to which the Strategic Housing Market Assessment area (SHMA area) coincides with the Functional Economic Market Area (FEMA). The core of the FEMA coincides with the SHMA area i.e. comprising the four Local Authority areas of: East Herts, Epping Forest, Harlow and Uttlesford. It also includes Broxbourne. There is a fringe area comprising all of the immediately adjacent local authorities; and a link to central London.

Analysis of projected future jobs growth has been undertaken using the SHMA area and FEMA definitions, and there is no significant impact on final district level projected job numbers whether or not Broxbourne is included in the projections.

A map of the FEMA can be seen in the Figure below.

Figure 1: The Functional Economic Market Area



Historic actual job creation

HJA was asked to analyse the actual creation of jobs in each of the four SHMA area Local Authorities over the last 10 years.

Four measures of historic actual job creation have been considered: the Business Register and Employment Survey (BRES) and its predecessor the Annual Business Inquiry (ABI); the Annual Population Survey (APS); the Census of Population; and the ONS Jobs Density measure. The ONS Jobs Density is the most comprehensive and best measure of historic actual workplace jobs. It also aligns to the East of England Forecasting Model (EEFM) measure of workplace jobs.

The ONS Jobs Density measure shows jobs growth of between 1,300 and 1,550 jobs per year in the SHMA area over the period from 2000 to 2013.

Local Plan evidence bases

HJA was asked to review the four Local Authorities' emerging Local Plan evidence bases and identify future employment growth projections. These have been derived from Local Plans' evidence bases, supporting documents and other technical work, including consultations with officers from each of the Local Authorities. These show a projected annual jobs growth of between 1,780 and 1,980 per year. These are summarised in the Figure below.

Figure 2: Jobs growth projections

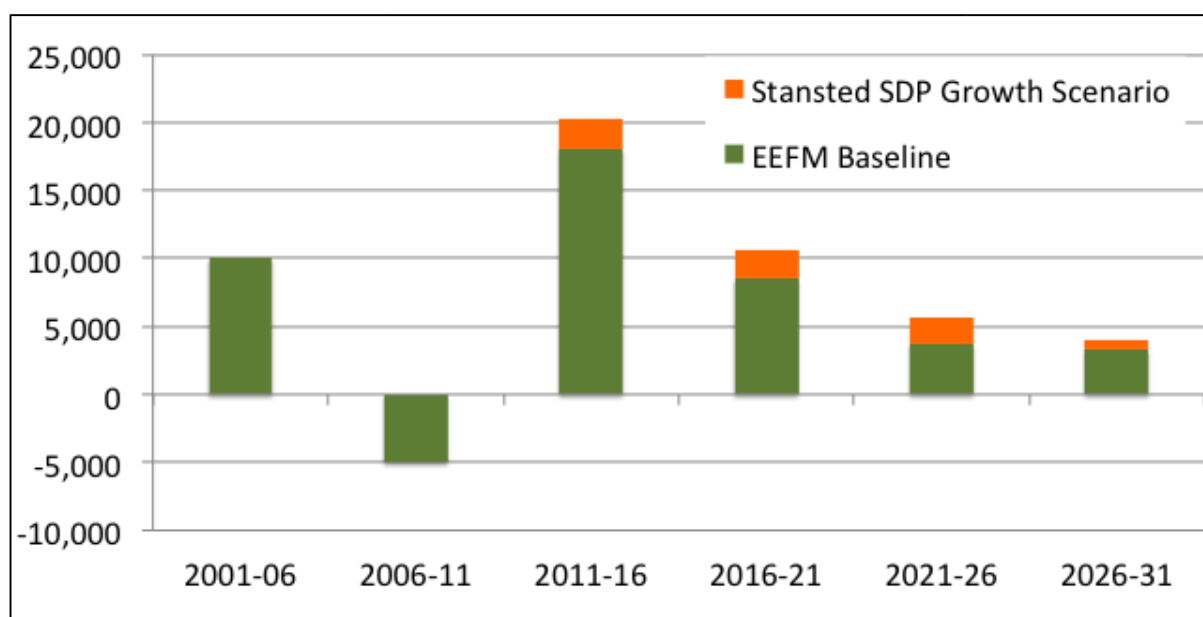
Local authority	Employment change	Period	Annual change
East Herts	9,700	2012-2031	510
Epping Forest	9,000	2011-2033	410
Harlow	8,000 – 12,000	2011-2031	400 - 600
Uttlesford	9,200	2011-2031	460
<i>Cumulative total</i>	<i>35,900 – 39,900</i>		<i>1,780 – 1,980</i>

Source: Local Authorities

Historic actual job creation and Local Plan evidence bases

HJA was asked to look at how historic actual change in jobs compares to the Local Authorities' Local Plan evidence bases.

For historic actual jobs creation, the ONS Jobs Density measure shows an average of between 1,300 to 1,550 jobs per year over the period from 2000 to 2013. This is in broad agreement with the East of England Forecasting Model (EEFM) figures for actual historic change in jobs, with an average of between 1,200 and 1,800 jobs per year from the EEFM. Looking forwards, the Local Plans' evidence base assumptions for jobs growth per year are above the ONS Jobs Density historic range, but within the EEFM historic range. They are slightly higher than the baseline projected growth from the EEFM for the whole SHMA area – of 1,590 jobs per annum. There is planning permission in place for future growth at Stansted Airport, and when this is introduced the jobs growth increases to 1,895 per annum. In this scenario the Local Plans' evidence base projections are similar in overall scale to the EEFM plus Stansted projections, but the distribution within the SHMA area is very different (discussed below). The overall scale of projected growth can be seen in the Figure below.

Figure 3: Historic growth and projected future growth

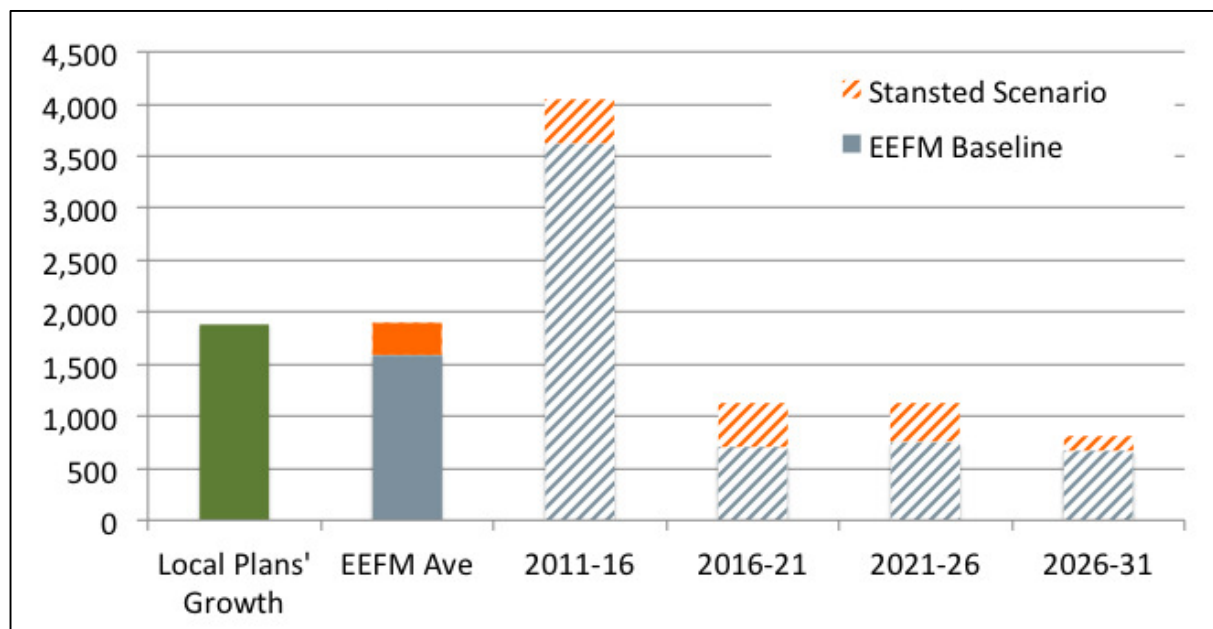
Source: EEFM (2014) and Hardisty Jones Associates analysis

Future job growth projections

HJA was asked to consider future employment projections used to inform the SHMA.

As discussed above, the baseline projected level of jobs growth for the SHMA area as derived from the EEFM (2014) is 1,590 jobs per annum. However, Local Authority officers identified that future growth plans for Stansted Airport are not fully reflected in these figures, so HJA was asked to model the impact of this additional growth. When the impact of Stansted Airport growth is included, this increases to 1,895 jobs per annum. This latter figure is similar to the scale of projected growth set out in the Local Plans' evidence bases, but the distribution within the SHMA area is very different (discussed below).

Figure 4: Local Plans and EEFM Baseline plus Stansted growth



Job growth projections at the Local Authority level

HJA was asked to look at how the SHMA area level jobs growth projection is likely to be distributed across the four constituent Local Authority areas over the period from 2011 to 2033.

Two different scenarios have been used to distribute the overall level of jobs growth in the SHMA to the constituent Local Authority areas. The intention is to provide a starting point to inform a policy debate between the four authorities. The allocations arrived at are indicative only and are based on a business-as-usual scenario i.e. these distributions do not take account of any policy interventions or major public investments such as the Harlow Enterprise Zone. Any policy debate may therefore lead to an alternative distribution of jobs across the SHMA area, which is preferred for policy reasons.

The growth projections modelled below include the additional growth at Stansted Airport.

Figure 5: Job growth projections (including Stansted) and emerging evidence base figures

	Job growth per year - based on historic share of total SHMA area jobs	Job growth per year - based on EEFM projected share of total SHMA area jobs	Target range for job growth	Job growth per year - derived from Local Plan emerging evidence bases
East Herts	505	435	435 - 505	510
Epping Forest	400	455	400 - 455	410
Harlow	325	335	325 - 335	400 - 600
Uttlesford	665	675	665 - 675	460
Total	1,895	1,895	1,895	1,780 - 1,980

N.b. Figures may not sum due to rounding

1 Introduction

This report provides economic evidence that will be used to calculate the Objectively Assessed Housing Need (OAHN) for West Essex and East Hertfordshire – which is a Strategic Housing Market Assessment area (SHMA). It has been commissioned by the Cooperation for Sustainable Development Board comprising members of four local authorities in the SHMA area: East Hertfordshire District Council, Epping Forest District Council, Harlow Council and Uttlesford District Council.

A robust OAHN depends on having a shared, common employment growth projection for the area, which is based on employment growth projections for each of the four constituent local authorities. It needs to take account of a number of future economic and employment projections that have been set out in:

- The latest (2014) version of the East of England Forecasting Model (EEFM)
- Historic trend-based projections
- Emerging employment targets in the evidence bases for the four authorities' Local Plans

This report helps to understand the different employment growth projections that have been suggested, understand where they have come from, select a robust and justifiable lead scenario, and explain why this should be considered ahead of all other potential options.

1.1 Background

Recent Local Plan Inspectors' reports have stressed the importance of a clear link between employment and housing projections. Planning Practice Guidance and the Planning Advisory Services' Technical note on objectively assessed need place employment growth projections at the heart of the OAHN debate. The scale of projected employment growth impacts on the projected need for new homes, but the latter is developed within the SHMA assessment and is outside the scope of this project.

1.2 Objectives and scope of the study

The objectives and scope of this study were set by the Cooperation for Sustainable Development Board comprising members of four local authorities in the SHMA. They are:

1. To understand the extent of the Functional Economic Market Area (FEMA) and how/whether this corresponds to the SHMA area
2. Analysis of the number of new jobs created in each of the four local authorities over the last 10 years
3. Review the current and emerging Local Plan evidence bases to identify employment growth projections
4. Analyse the difference between historic employment growth and Local Plan projections
5. Consider the employment projections that are currently set out in the draft SHMA
6. Suggest robust and defensible employment projections for each of the four authorities over the 22 year SHMA period

Each of these objectives is considered in the following chapters.

1.3 Jobs not residents

The purpose of this evidence is to understand how many people are projected to *work* in the SHMA area and each Local Authority area. There is a difference between working people that *live* in an area and working people that *work* in an area, because many people live in one Local Authority area and commute to work in another. The HJA analysis is focused on the workplace of the worker, not their place of residence.

There is also a difference between the number of *jobs* and the number of *working people* as some working people have more than one job. Our analysis concentrates on jobs. We understand that Opinion Research Services, the consultants working on the SHMA, will take account of those with more than one job, so that this will be factored into the eventual assessment of the OAHN.

2 The FEMA and the SHMA

The four local authorities want to understand the extent of the Functional Economic Market Area (FEMA) and how/whether this corresponds to the Strategic Housing Market Assessment (SHMA) area.

A FEMA is an area over which a local economy and its key markets operate. It does not necessarily correlate with administrative boundaries. Ideally a FEMA is defined using data on economic flows e.g. of workers and trade, but there is a limited amount of such data available.

The SHMA area is defined as “...a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work.” The West Essex and East Herts SHMA area has been defined by Opinion Research Services (ORS) and comprises East Hertfordshire, Epping Forest, Harlow and Uttlesford Districts.

Our approach comprises:

- Considering the existing definitions of the FEMAs for each of the local authorities
- Reviewing 2011 Census commuting patterns

2.1 Existing FEMA definitions

We contacted each of the four local authorities to collect data on their FEMAs. Two of the local authorities have considered and defined their functional economic market areas (FEMAs): East Hertfordshire and Epping Forest. Harlow is clear about its role in the wider local area (i.e. West Essex), but does not have a definitive FEMA. Uttlesford has not defined its FEMA. More information on this can be seen in Appendix 1.

Figure 2.1: Local Authorities’ FEMA definitions

Local authority	Definition of FEMA
East Hertfordshire	East Hertfordshire Broxbourne Welwyn Hatfield Stevenage North Hertfordshire Uttlesford Harlow Epping Forest
Epping Forest	Core: <ul style="list-style-type: none"> • Epping Forest • Harlow Wider area: <ul style="list-style-type: none"> • London • East Hertfordshire • Harlow • Uttlesford • Brentwood • Broxbourne

Local authority	Definition of FEMA
	<ul style="list-style-type: none"> • Enfield • Stansted • Cambridge
Harlow	West Essex: <ul style="list-style-type: none"> • Harlow • Epping Forest • Uttlesford East Hertfordshire
Uttlesford	n/a
Source: Local Authorities	

There is further discussion of these definitions at Appendix 1.

There are areas of commonality between these definitions. These are the local authority areas of:

- Broxbourne
- East Herts
- Epping Forest
- Harlow
- Uttlesford

2.2 Census commuting data

We have considered commuting data for the four local authority areas that comprise the SHMA area. The most comprehensive commuting data is provided through the Census of Population. The latest available data relates to 2011. This is the primary dataset used.

2.2.1 Out-Commuting

Out-commuting data allows consideration of where residents of the SHMA work. A key question to pose in terms of the designation of a FEMA is whether there are other critical employment locations outside the core SHMA area that need to be recognised.

A total of 216,594 residents of the SHMA were in employment at 2011. Of these 52% worked within the SHMA area itself (including 12% working mainly from or at home). In addition a further 9% have no fixed place of work. Considering these together, residence-based self-containment is assessed as 61%. This represents no change from the 2001 data¹.

The remaining 39% of employed residents work in a range of locations. Unsurprisingly the major locations are around the fringes of the SHMA area and central London. London accounts for 23% of SHMA working residents' employment (almost 50,000 persons), and the rest of the East of England a further 14% (almost 30,000 persons). This represents a marginal change from 2001, which reported 24% out-commuting to London and 13% to elsewhere in the East of England. The absolute numbers out-commuting to both areas has increased but the broad pattern is consistent.

¹ 2001 data was reported on a slightly different basis, without those working from home or those with no fixed place of work separated.

The relationship with London is clearly influenced by the presence of the Central Line running into Epping Forest District. The main commuting locations into London are along the Central Line route through east and central London. The commuting patterns to London could also be characterised into two areas – the north London fringe and central London.

Districts/Boroughs with more than 2% of all working residents from the SHMA area are:

- London Borough of Westminster/City of London 6.6%
- Broxbourne 3.3%
- London Borough of Tower Hamlets 2.2%
- Welwyn Hatfield 2.0%
- London Borough of Enfield 2.0%

There have been slight changes in the percentages between 2001 and 2011 but not to any great extent, and the broad patterns hold.

2.2.2 In-Commuting

There are a total of 187,500 jobs within the SHMA area when including those working from home and those with no fixed place of work. Residents of the SHMA area occupy 71% of these jobs. This is a slight decline from 72% in 2001.

The remaining 29% of jobs (almost 54,000 persons) are filled by in-commuters. 18% are from the rest of the East of England region (33,600 persons) and 8% from the London region (15,500 persons). These shares are similar to 2001, with a slight increase from London Boroughs.

Districts/Boroughs contributing more than 2% of workers are:

- Broxbourne 3.4% (more than 6,000 persons)
- Braintree 2.8% (more than 5,000 persons)

Areas supplying more than 1% (1,800 persons) are:

- London Borough of Redbridge 1.8%
- London Borough of Waltham Forest 1.4%
- Chelmsford 1.3%
- North Hertfordshire 1.2%
- Stevenage 1.1%
- London Borough of Enfield 1.1%
- Welwyn Hatfield 1.0%
- South Cambridgeshire 1.0%

A very similar profile was reported in 2001.

2.2.3 Conclusions

There has been a slight change in the balance of out-commuting in percentage terms, from London to the East of England, but the overall level has remained consistent between 2001 and 2011.

Unless a major shift in the balance of activities is forecast, there is every reason to expect this trend to continue.

The continued trend of out-commuting in percentage terms has taken place in the context of rising population and employment. Therefore, as the number of working residents in the HMA has increased so the number of out commuters has increased in equal proportion to the current rate. There has been a slight increase in the share of local jobs filled by in-commuters. However, there has been no major change in the pattern of in-commuting.

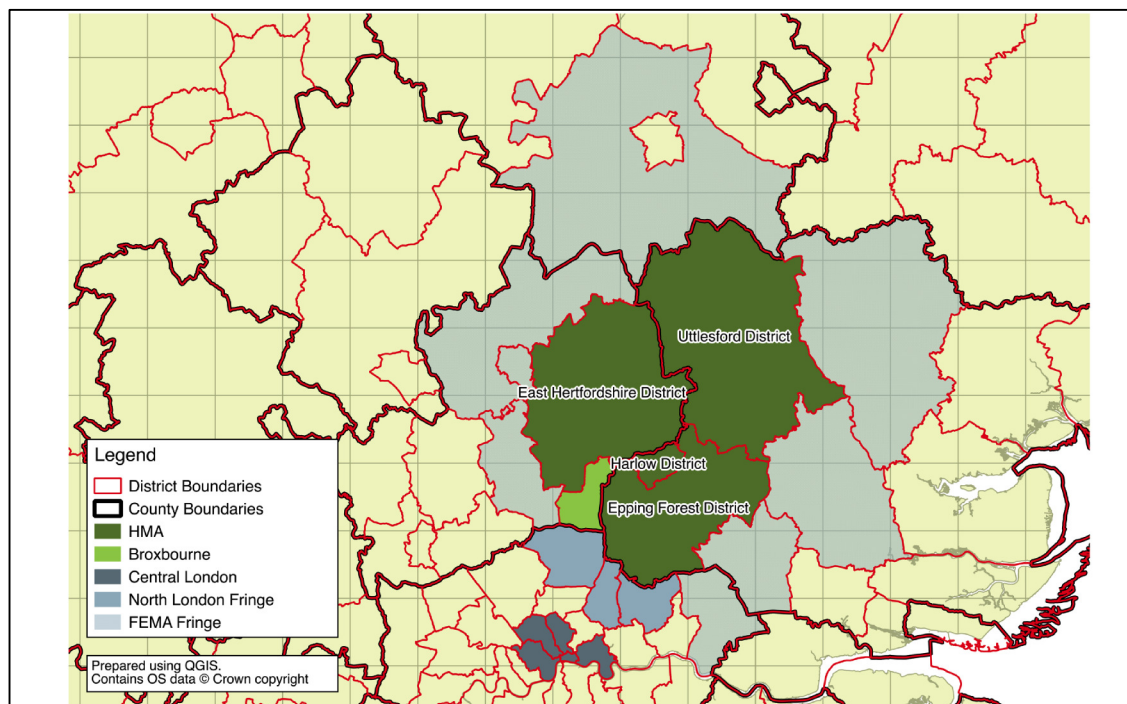
When considering a FEMA, the role of London as an employment location is clear. The draw for commuting locations around London's fringe is not a unique characteristic of this HMA. The London effect is heavily influenced by the Central Line. However, there are effects as a result of the draw of central London as an employment location, and the effects of the neighbouring north London Boroughs. When considering both in- and out-commuting relationships, the borough of Broxbourne is the only one that features a flow of at least 3% in each direction.

2.3 Definition of the FEMA

In this case, the SHMA area is not a self-contained FEMA. Whilst the immediate boundaries of the core local authorities are porous, London is a significant economic driver that extends the FEMA beyond the four local authorities' SHMA boundary.

The FEMA could include Broxbourne, and there is a clear relationship with London – both the nearby north London Boroughs and central London. The FEMA is shown in the Figure below.

Figure 2.2: The Functional Economic Market Area



Source: Hardisty Jones Associates

3 Historic Job Creation

The four local authorities requested analysis of the number of new jobs created in each of the four local authorities over the last 10 years. The purpose of this is to understand how many people *work* in this area. There is a difference between people that *live* in an area and people that *work* in an area. There is also a difference between the number of *jobs* and the number of *working people* as some working people have more than one job.

Our approach has been to review various official measures of employment. Each captures employment data in different ways and has strengths and weaknesses. The data from each source are volatile from year to year, and need smoothing.

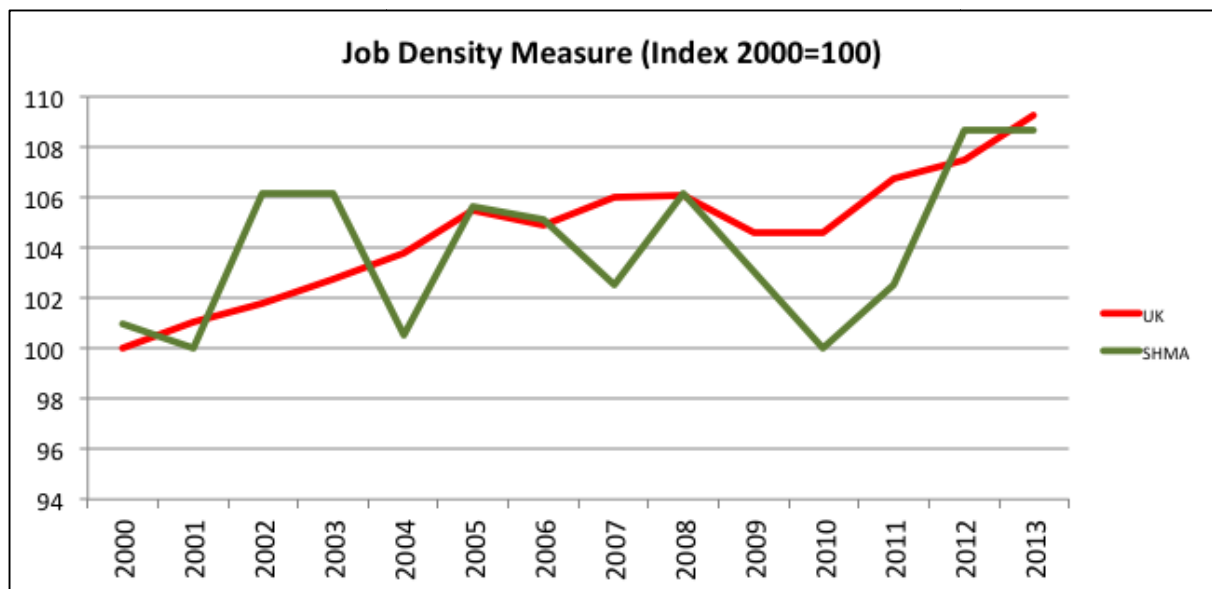
3.1 Data volatility and smoothing

Datasets covering smaller areas are typically more volatile than datasets covering larger areas because:

- The loss or gain of a relatively small number of jobs will have a bigger proportional impact in a smaller area
- Data are often collected by survey, and surveys of smaller populations can lead to greater variations year-on-year

The figure below shows how jobs density in the SHMA is far more volatile than at the UK level, which covers a significantly larger population, so is less vulnerable to volatility.

Figure 3.1: An illustration of data volatility at the local level



Source: ONS

For these reasons, a single year-on-year change in job numbers should not be relied on, and the longer-term trend should be considered. Data can be smoothed to show the progression of data over a longer period (e.g. three years)

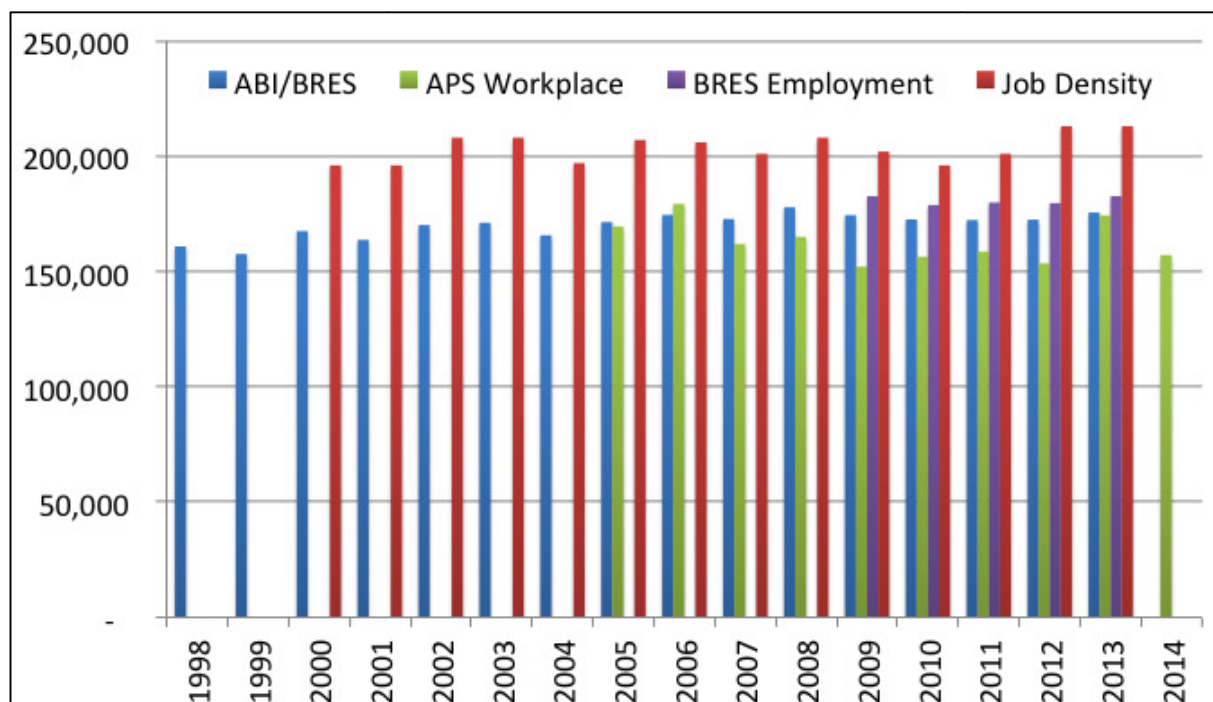
3.2 Historic job creation

We have considered the following sources of official government data on historic job creation, published by the Office for National Statistics (ONS):

- The Business Register and Employment Survey (BRES) and its predecessor the Annual Business Inquiry (ABI)
- The Annual Population Survey (APS)
- The Census of Population
- The ONS Jobs Density measure

ONS points to the Jobs Density measure as the definitive measure of jobs, but there are limitations in the time series of data available. It is the most comprehensive measure of jobs, including self-employment, HM Forces and government supported trainees as well as those in employment. The figure below shows the numbers of jobs reported by each of these sources, for the SHMA area.

Figure 3.2: Historic job creation



Source: ONS

Smoothed Jobs Density data shows the creation of between 1,300 and 1,550 jobs per year in the SHMA area over this period.

4 Local Plans' Evidence Bases and Working Assumptions

In this chapter we review the current and emerging Local Plan evidence bases for the four local authorities, to identify any emerging evidence on employment growth contained within these.

4.1 Local Plans' evidence bases and working assumptions

These growth projections have been derived from Local Plans' evidence bases, supporting documents and other technical work, which are discussed in more detail in Appendix 1. They have been confirmed as the best currently available working assumptions by officers from each of the Local Authorities.

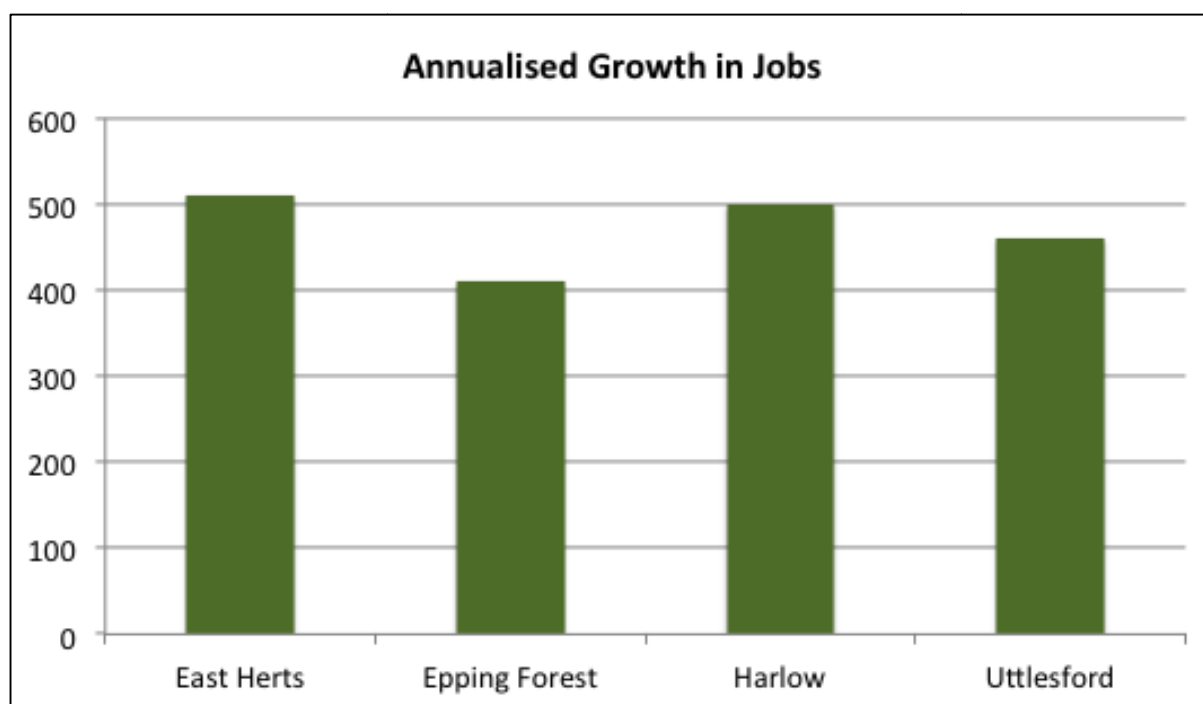
Figure 4.1: Jobs growth projections

Local authority	Employment change	Period	Annual change
East Herts	9,700	2012-2031	510
Epping Forest	9,000	2011-2033	410
Harlow	8,000 – 12,000	2011-2031	400 - 600
Uttlesford	9,200	2011-2031	460
<i>Cumulative total</i>	<i>35,900 – 39,900</i>		<i>1,780 – 1,980</i>

Source: Local Authorities

These figures are summarised in the chart below.

Figure 4.2: Annualised growth in jobs



Source: Local Authorities *N.b. Harlow has a planned growth of between 400 and 600 jobs per year*

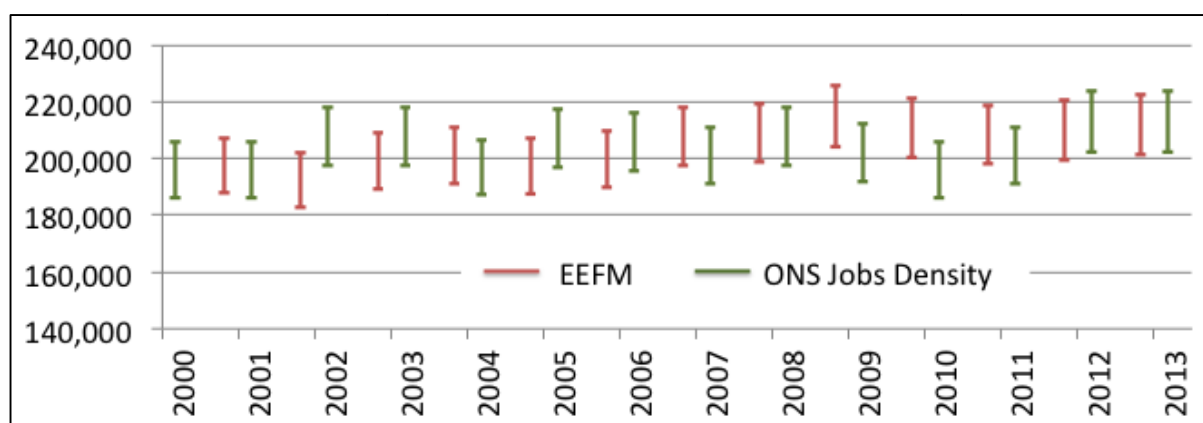
5 Historic Actual Jobs Growth and Future Projections

In this chapter we analyse the difference between historic actual jobs growth, the Local Plans' future job growth emerging evidence, and the EEFM projection of future jobs growth.

5.1 Historic change

As discussed in the previous chapter, ONS Jobs Density is the preferred measure of historic actual jobs change. Historic ONS Jobs Density data are broadly consistent with EEFM data on historic job change in the SHMA area, largely because the EEFM draws on this data to inform its modelling. The figure below shows that the ONS Jobs Density data (which has been smoothed, and error bars introduced to avoid reliance on a single data point) suggests a growth of between 1,300 and 1,550 new jobs per year (green bars). The EEFM (shown on the same basis) identifies a change of between 1,200 and 1,800 jobs per year (red bars), so there is clear overlap between the two.

Figure 5.1: Historic jobs change in the SHMA area



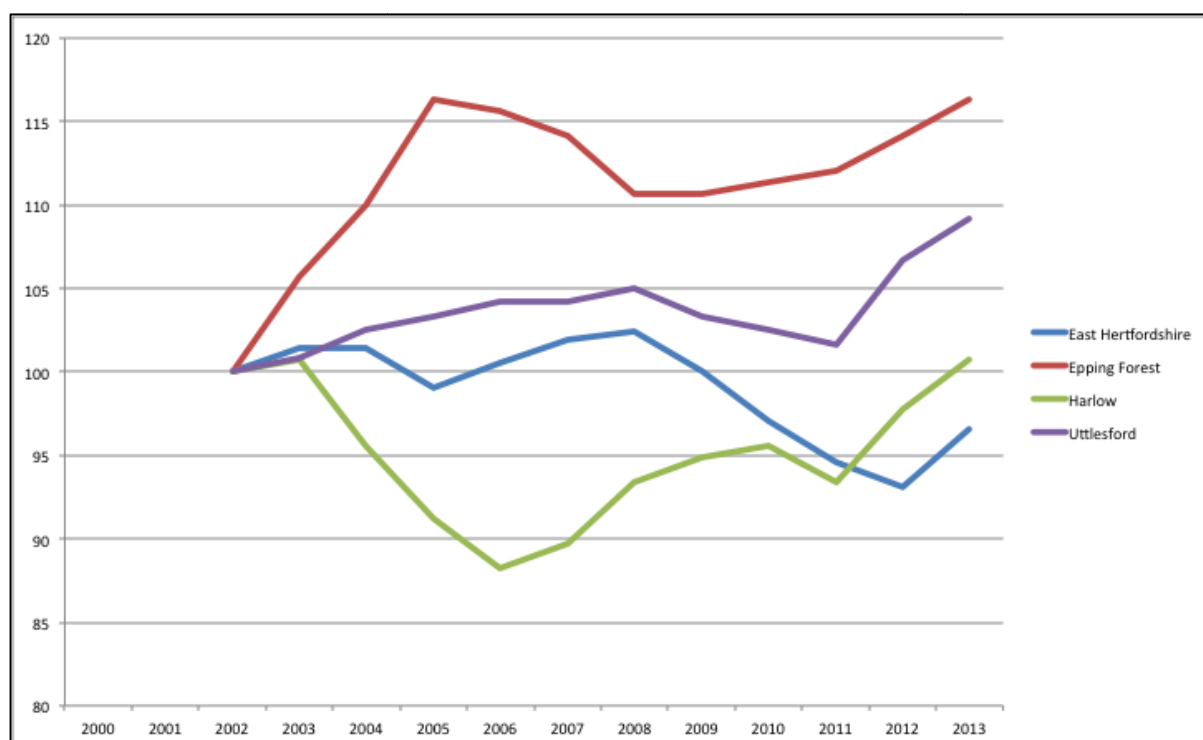
Source: ONS and EEFM (2014)

It is therefore possible to say that for the consideration of historic jobs change within the SHMA area, there is broad agreement between the ONS Jobs Density measure and the EEFM.

5.1.1 Local Authority breakdown of historic actual change in jobs within the SHMA area

Most of this net jobs growth in the SHMA area has taken place in Epping Forest and Uttlesford Districts, as can be seen in the figure below, which shows the historic actual rate of jobs growth in each District (where each District is indexed to 100 in 2002).

Figure 5.2: Change in total jobs between 2002 and 2013 (Indexed: 2002 = 100)



Source: ONS Jobs Density data

This chart shows some divergence in the change in jobs within the SHMA. It uses three-year smoothed data to minimise data volatility. Epping Forest District has seen the largest growth in jobs over the period 2002 to 2013, followed by Uttlesford. Harlow's jobs dipped significantly but then rose back to close to where they started. East Hertfordshire saw an overall decline in employment over the period.

5.2 Projections of future jobs growth

5.2.1 Local Plan evidence bases

The previous chapter shows an analysis of the Local Plans' emerging evidence bases, which have identified emerging total future growth projections of between 1,780 and 1,980 jobs per year for the SHMA area. This is higher than the historic range derived from the ONS Jobs Density measure (of 1,300 to 1,550 jobs per year), but just overlaps with the EEFM historic range (of 1,200 to 1,800 jobs per year).

These figures show a baseline position set out in the evidence bases prepared for the Local Plans with a slightly higher amount of annual future jobs growth than has been seen in the past.

5.2.2 The East of England Forecasting Model

HJA has used the EEFM as a baseline for projecting future jobs growth in the SHMA area. The EEFM models local economic growth projections based on national growth projections, the structure of the local economy (in terms of jobs in each industrial sector and therefore the importance of each industrial sector to the local economy), and the employment structure of other nearby places that

will influence local economic growth. The model is based on a business-as-usual scenario so does not account for any local policy interventions in economic growth.

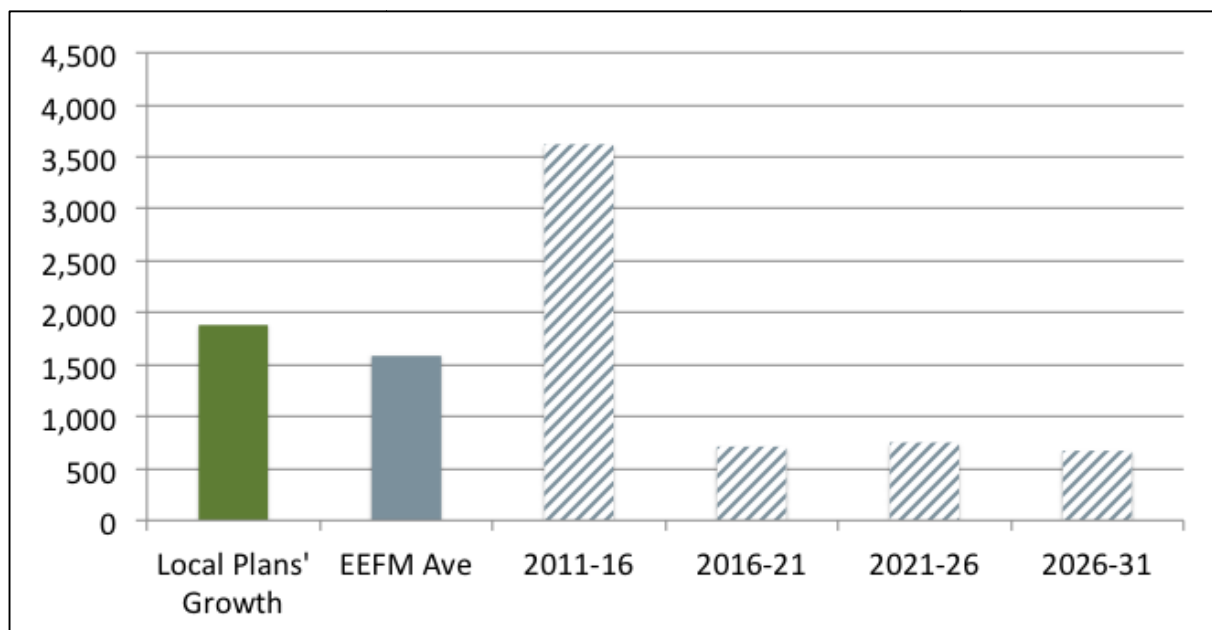
Initial results derived from the EEFM were tested with officers from the four Local Authorities. We were then asked to build in additional jobs growth associated with future plans for Stansted Airport as a separate scenario – which is discussed further below. We were not asked to account for any other major factors, as it was felt that the results gave sufficient allowance for these.

The EEFM baseline projection for the SHMA area is 1,590 additional jobs per year, without an additional allowance for Stansted-related growth.

5.2.3 Comparing the Local Plan evidence bases and the baseline EEFM projections

The EEFM projected jobs growth in the SHMA area is similar to, although slightly lower than, the overall level of growth set out in the emerging evidence base. This can be seen in the Figure below. Please note that the average annual jobs growth from the EEFM baseline over the period 2011 to 2031 is shown as a solid bar, and the average for each of the four five-year periods that make up this total are shown as hatched bars.

Figure 5.3: Average annual jobs growth for the SHMA area from the Local Plans and EEFM baseline



Source: Local Authorities and EEFM (2014)

5.2.4 Growth at Stansted Airport

Following a presentation of the interim findings of this report to the Local Authorities' officers group, we were asked to consider the additional jobs growth potential at Stansted Airport, which had not been fully reflected in the baseline position set out above. Planning permission has been awarded for expansion at Stansted, to accommodate up to 35 million passengers per annum (mppa). We have derived growth plans for Stansted Airport from the Stansted Sustainable Development Plan². This

² London Stansted Airport (2015) Economy and Surface Access: Sustainable Development Plan

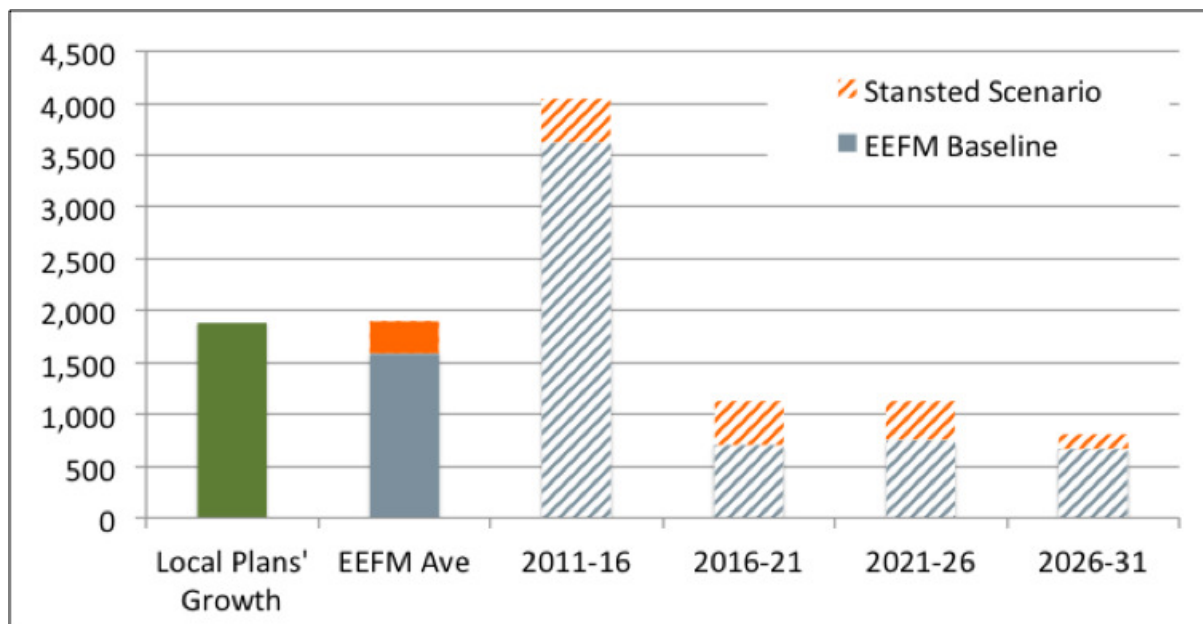
sets out an increase in passenger numbers to 35 mppa by 2025 and 45 mppa by 2030. The related increase in workforce would be from around 10,000 at present to more than 18,000 at 2025, and around 20,000 at 2030.

This level of on-site workforce increase is substantially above the level of Stansted Airport growth contained within the EEFM baseline. However, it will displace other activity in the SHMA area economy due to its draw on the local workforce³, so the net increase in jobs in the SHMA area will be less than the total number of new jobs at Stansted Airport. In summary:

- The London Stansted Airport higher growth scenario is likely to generate an additional 10,000 on-site jobs over the SHMA period
- Due to displacement effects elsewhere in the SHMA area we estimate 8,750 net additional jobs.
- We estimate that the EEFM already includes growth of around 2,200 jobs at Stansted. The EEFM is also likely to include some further indirect and induced effects across the SHMA area
- Combining these creates an additional uplift to EEFM baseline, based on high growth at Stansted Airport, of 6,500 jobs over the SHMA period
- This equates to an additional 300 jobs per annum, in addition to the baseline (core growth) of 1,590 jobs per annum in the SHMA area
- Total average annual job growth therefore increases to 1,895 per annum across the SHMA area

Full details of this analysis are set out in Appendix 2. EEFM projected jobs growth in the SHMA area plus an allowance for Stansted growth, as discussed above, is similar to the emerging Local Plan growth assumptions. This can be seen in the Figure below.

Figure 5.4: Local Plans and EEFM Baseline plus Stansted growth



Source: Local Authorities, EEFM (2014) and Hardisty Jones Associates analysis

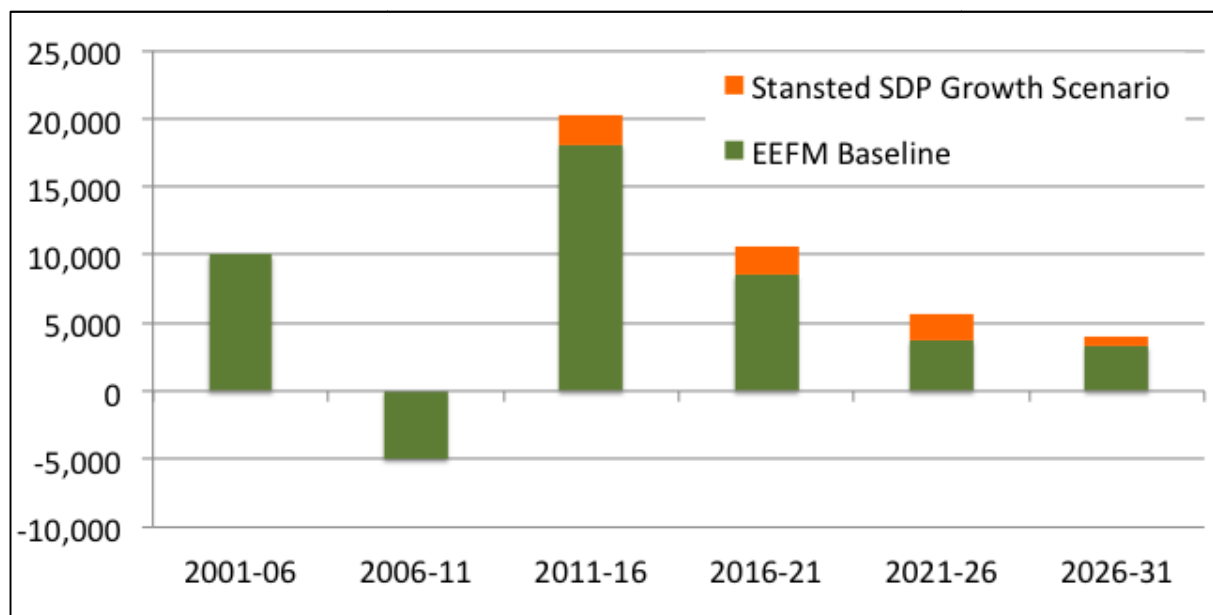
³ The displacement effect is discussed in detail in Oxford Economics (2013) Economic Impact of Stansted Scenarios: A Report Prepared for the London Stansted Cambridge Consortium

5.3 Total projected change over time

In this section we consider the projected future change in employment, discussed above, alongside historic change over the period from 2001. To consider a consistent dataset over this period, we have used the EEFM, along with the adjustment for Stansted that is discussed above.

This analysis is shown in the Figure below. It is clear that actual historic change in the SHMA area saw a period of decline in jobs during the period of financial crisis – represented by the period 2006 to 2011 below. There is strong projected recovery over the immediate following period, and then reversion to a lower level of long-term growth.

Figure 5.5: Historic growth and projected future growth



Source: EEFM (2014) and Hardisty Jones Associates analysis

6 Projected Jobs Growth Within the SHMA

In this Chapter we consider the allocation of future growth within the SHMA area i.e. at the Local Authority area level. Having developed an overall baseline job growth projection for the period 2011 to 2033 (as discussed above), we consider the allocation of future growth within the SHMA area i.e. at the Local Authority area level. The baseline projected level of growth is taken from the EEFM. We consider how this could be allocated between the four Local Authorities using two different scenarios:

- In the first scenario we allocate the projected growth according to the recent historic distribution of jobs within the SHMA area using historic ONS Jobs Density data. We have used each Local Authority's average share of total SHMA area employment over the period 2000 to 2013 to avoid any distortion in a single year's data. As shown in Chapter 5, over this period employment had grown in Epping Forest District and Uttlesford, stayed around the same in Harlow, and declined in East Herts.
- In the second scenario we use the share of the total projected growth in each Local Authority area over the period 2011 to 2033 derived from the EEFM, i.e. how the projected jobs growth is expected to be distributed across the four Local Authorities. This is built up from the sectoral structure of each Local Authority's economy and the growth prospects in these sectors (driven by national growth projections).

As previously noted, the intention is to provide a starting point to inform a policy debate between the four authorities. The allocations arrived at are indicative only and are based on a business-as-usual scenario i.e. these distributions do not take account of any policy interventions or major public investments such as the Harlow Enterprise Zone. Any policy debate may therefore lead to an alternative distribution of jobs across the SHMA area, which is preferred for policy reasons.

6.1.1 Allocating projected growth according to current share

The EEFM baseline projected growth for the SHMA area over the period 2011 to 2033 is an additional 1,590 jobs per year. This total has been allocated across the Local Authority areas using each Local Authority's average actual share of total SHMA area employment over the period 2000 to 2013.

Figure 6.1: Allocation of EEFM projected growth according to current share

	Current share of total SHMA area jobs (% of total)	Projected job growth per year
East Herts	33%	525
Epping Forest	26%	415
Harlow	21%	335
Uttlesford	20%	320
Total	100%	1,590

N.b. Numbers may not sum due to rounding

6.1.2 Allocating projected growth according to EEFM forecast share

In this scenario the EEFM baseline projected growth of 1,590 jobs per year has been allocated across the Local Authority areas based on the projected share of growth over the period 2011 to 2033 set out in the EEFM.

Figure 6.2: Allocation of EEFM projected growth according to EEFM projected shares of growth

	EEFM projected share of total SHMA area jobs (% of total)	Projected job growth per year
East Herts	28%	455
Epping Forest	29%	470
Harlow	22%	345
Uttlesford	21%	325
Total	100%	1,590

N.b. Numbers may not sum due to rounding

Strong projected jobs growth in Epping Forest District is particularly driven by the projected growth in the construction sector and the professional services sector, both of which are important sectors in this local economy.

For Harlow and Uttlesford the shares are very similar across the two approaches. For East Herts the share is lower, and for Epping Forest District the share is higher. As noted previously, in recent years actual data shows that Epping Forest District has generated many more jobs than East Herts and has therefore contributed a greater share of the growth in total SHMA area employment. The EEFM, drawing on this pattern, forecasts a continuation of this trend.

Whether this is desirable in policy terms is an issue that the four Authorities will need to discuss as part of setting an employment strategy under the Duty to Cooperate.

6.1.3 Adding Stansted growth

We have then added the Stansted growth to the baseline growth projections for jobs in the SHMA area. In broad terms this scenario means a much higher level of jobs in Uttlesford District, based at Stansted, but fewer jobs overall in the other three authorities because of the displacement effects of drawing a larger share of the labour force to Stansted.

Figure 6.3: Allocation of future growth including Stansted additional growth

	Job growth per year - based on historic share of total SHMA area jobs	Job growth per year - based on EEFM projected share of total SHMA area jobs
East Herts	505	435
Epping Forest	400	455
Harlow	325	335
Uttlesford	665	675
Total	1,895	1,895

N.b. Numbers may not sum due to rounding

6.2 Comparing business-as-usual scenarios and Local Plan evidence bases

These figures can then be compared to the figures that have been derived from the emerging evidence bases that have been assembled to inform the development of the four Local Authorities' Local Plans.

Figure 6.4: Job growth projections (including Stansted) and emerging evidence base figures

	Job growth per year - based on historic share of total SHMA area jobs	Job growth per year - based on EEFM projected share of total SHMA area jobs	Job growth per year - derived from Local Plan emerging evidence bases
East Herts	505	435	510
Epping Forest	400	455	410
Harlow	325	335	400 - 600
Uttlesford	665	675	460
Total	1,895	1,895	1,780 - 1,980

N.b. Numbers may not sum due to rounding

Two things are notable from this table:

- The overall scale of projected jobs growth is similar to the overall figure for the SHMA area derived from the Local Plans' emerging evidence bases
- The distribution of the total projected growth across the four Local Authority areas varies from the figures set out in the emerging evidence bases, particularly in two places: Harlow and Uttlesford. Harlow's growth figure set out in its Local Plan evidence base is higher than the figure calculated by HJA – as the former includes aspirational jobs growth driven by the Enterprise Zone (i.e. greater than historical trend). Uttlesford's growth figure set out in its Local Plan evidence base is lower than the figure calculated by HJA – as the latter includes an allowance for jobs growth at Stansted Airport, based on the Manchester Airport Group's plans for the future development of Stansted Airport.

7 Conclusions

Six questions were asked of this study:

1. To understand the extent of the FEMA and how this corresponds to the SHMA area
2. Analysis of the number of new jobs created in each of the four local authorities over the last 10 years
3. Review the current and emerging Local Plan evidence bases to identify employment growth projections
4. Analyse the difference between historic employment growth and Local Plan projections
5. Consider the employment projections that are currently set out in the draft SHMA
6. Suggest robust and defensible employment projections for each of the four authorities over the 22 year SHMA period

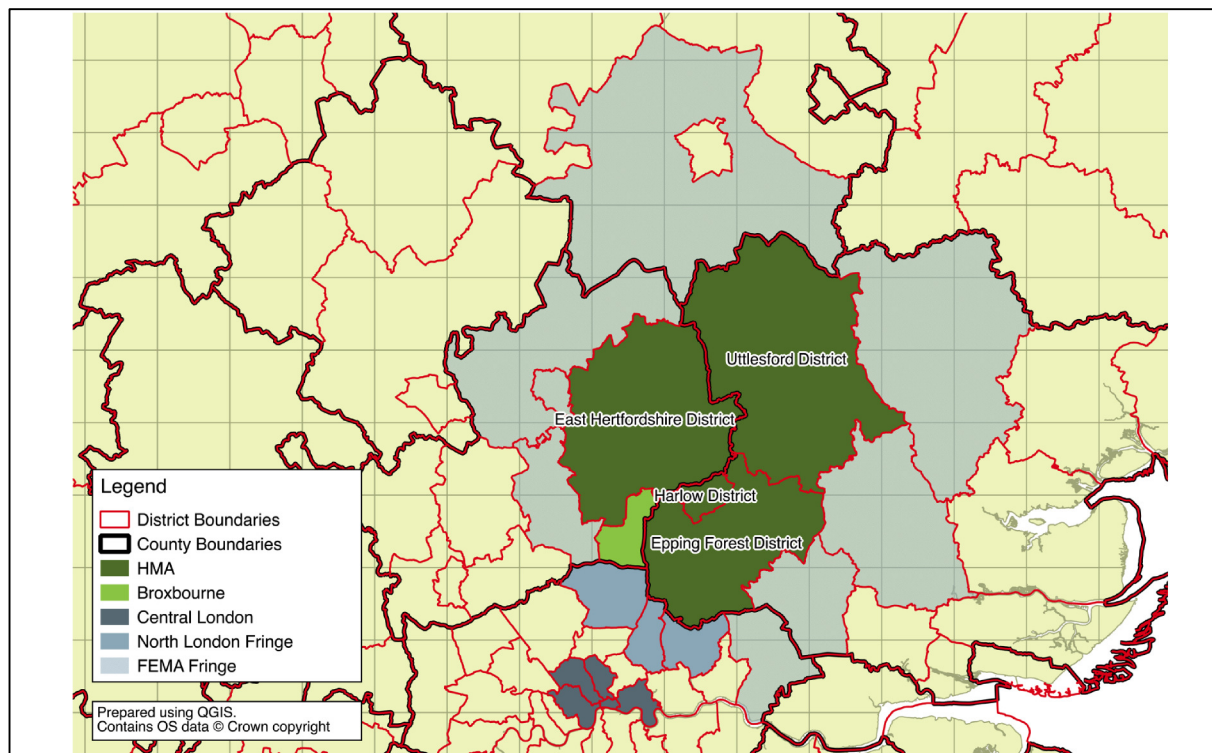
Each of these is discussed below.

7.1 The FEMA and the SHMA area

The core of the FEMA coincides with the SHMA area i.e. comprising the four Local Authority areas of: East Herts, Epping Forest, Harlow and Uttlesford. It also includes Broxbourne. There is a fringe area comprising all of the immediately adjacent local authorities; and a link to central London.

Analysis of projected future jobs growth has been undertaken using the SHMA area and FEMA definitions, and there is no significant impact on final district level projected job numbers.

Figure 7.1: The Functional Economic Market Area



7.2 Historic actual job creation

Four measures of historic actual job creation have been considered: the Business Register and Employment Survey (BRES) and its predecessor the Annual Business Inquiry (ABI); the Annual Population Survey (APS); the Census of Population; and the ONS Jobs Density measure. The ONS Jobs Density is the most comprehensive and best measure of historic actual workplace jobs. It also aligns to EEFM measure of workplace jobs.

The ONS Jobs Density measure shows jobs growth of between 1,300 and 1,550 jobs per year in the SHMA area over the period from 2000 to 2013.

7.3 Local Plan evidence bases

Growth projections have been derived from Local Plans' evidence bases, supporting documents and other technical work. These show a projected annual jobs growth of between 1,780 and 1,980 per year. These are summarised in the Figure below.

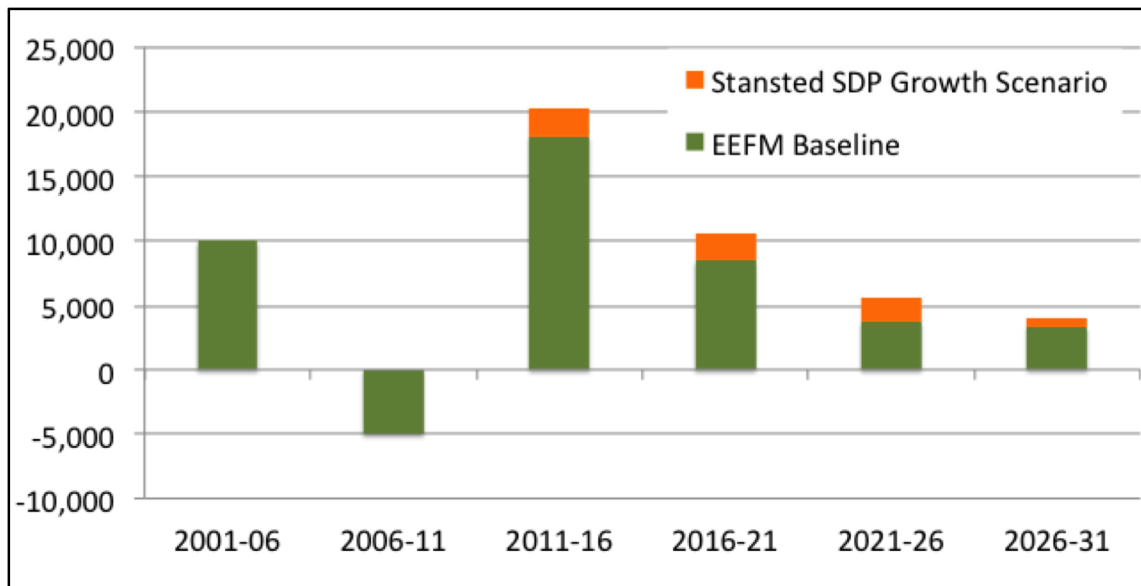
Figure 7.2: Jobs growth projections

Local authority	Employment change	Period	Annual change
East Herts	9,700	2012-2031	510
Epping Forest	9,000	2011-2033	410
Harlow	8,000 – 12,000	2011-2031	400 - 600
Uttlesford	9,200	2011-2031	460
<i>Cumulative total</i>	<i>35,900 – 39,900</i>		<i>1,780 – 1,980</i>
Source: Local Authorities			

7.4 Historic actual job creation and Local Plan evidence bases

The ONS Jobs Density measure is shown to be in broad agreement with the EEFM for actual historic change in jobs. Looking forwards, the Local Plans' emerging evidence for jobs growth per year are slightly higher than the baseline projected growth from the EEFM for the whole SHMA area – of 1,590 jobs per annum. When additional future growth related to Stansted Airport is introduced this increases to 1,895 per annum. In this scenario the Local Plans' projections are similar in overall scale, but the distribution within the SHMA area is very different (discussed below). The overall scale of projected growth can be seen in the Figure below.

Figure 7.3: Historic growth and projected future growth

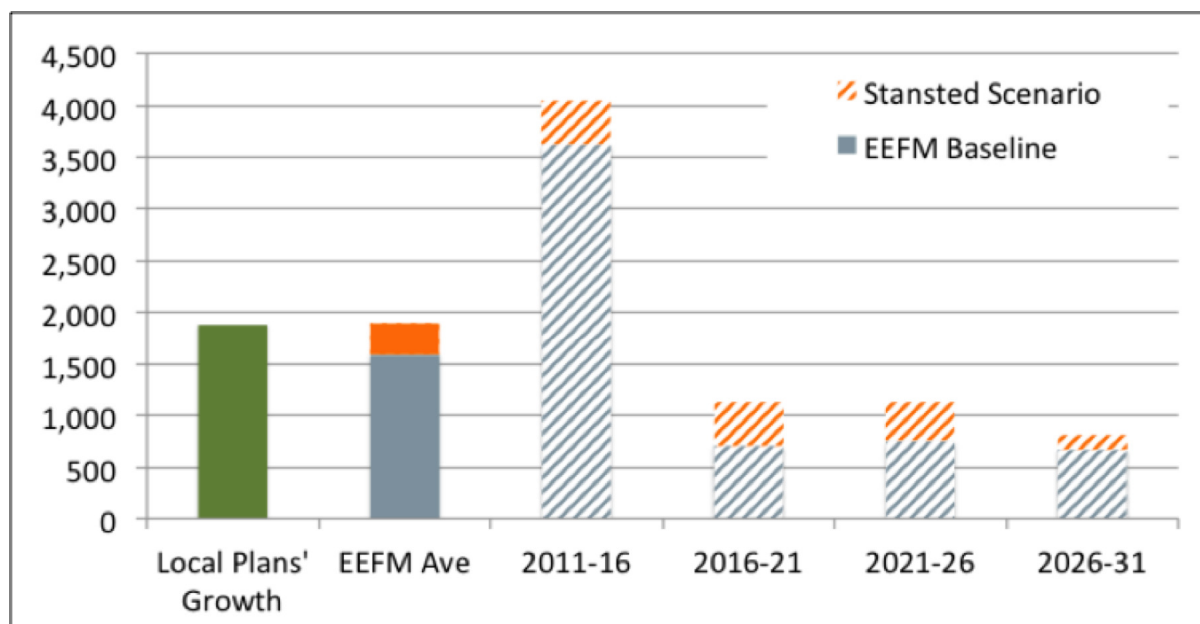


Source: EEFM (2014) and Hardisty Jones Associates analysis

7.5 Future job growth projections

As discussed above, the baseline projected level of jobs growth for the SHMA area as derived from the EEFM is 1,590 jobs per annum. When the impact of Stansted is included, this increases to 1,895 jobs per annum. This latter figure is similar to the scale of projected growth set out in the Local Plans' evidence bases, but the distribution within the SHMA area is very different (discussed below).

Figure 7.4 Local Plans and EEFM Baseline plus Stansted growth



7.6 Job growth projections at the Local Authority level

Two different scenarios have been used to distribute the overall level of jobs growth in the SHMA to the constituent Local Authority areas. The intention is to provide a starting point to inform a policy debate between the four authorities. The allocations arrived at are indicative only and are based on a business-as-usual scenario i.e. these distributions do not take account of any policy interventions or major public investments such as the Harlow Enterprise Zone. Any policy debate may therefore lead to an alternative distribution of jobs across the SHMA area, which is preferred for policy reasons.

Figure 7.5: Job growth projections (including Stansted) and emerging evidence base figures

	Job growth per year - based on historic share of total SHMA area jobs	Job growth per year - based on EEFM projected share of total SHMA area jobs	Target range for job growth	Job growth per year - derived from Local Plan emerging evidence bases
East Herts	505	435	435 - 505	510
Epping Forest	400	455	400 - 455	410
Harlow	325	335	325 - 335	400 - 600
Uttlesford	665	675	665 - 675	460
Total	1,895	1,895	1,895	1,780 - 1,980

N.b. Numbers may not sum due to rounding

Appendix 1: Functional Economic Market Areas

East Hertfordshire

Functional economic market area

A functional economic market area (FEMA) has been defined for East Herts. The District is part of the A1(M)-M11 Southern Sub Region, an integrated labour and property market. This comprises Broxbourne (Borough), Welwyn Hatfield (Borough), Stevenage (Borough), North Hertfordshire (District), Uttlesford (District), Harlow (District) and Epping Forest (District)⁴. This is based on functional labour market and commercial property market areas.

Historic job creation

No discussion of historic job creation in the information supplied.

Employment growth projections

Employment forecasts are derived from the 2012 EEFM⁴. At the time there was still great uncertainty about the state of the global and UK economies – which still exists to a certain extent. A significant increase in net out-commuting from 2006 to 2012 was noted.

Employment is projected to increase by 9,700 jobs between 2012 and 2031, as part of an increase of 60,000 jobs in the sub-region. Of these, 6,100 will be created in financial and business services and 1,600 in construction.

⁴ East Hertfordshire employment forecasts and strategic economic advice, DTZ, November 2012

Epping Forest

Functional economic market area

Epping Forest District is not a self-contained economy, but an integral part of a functional economic geography that extends well beyond its boundaries. This is best expressed at two levels:

1. A strong core geography of Epping Forest District with good links south into London, with the potential for a much stronger functional relationship with Harlow in the future
2. A less strong, but still functional wider economic geography which covers London, East Hertfordshire, Harlow, Uttlesford, Brentwood, Broxbourne, Enfield, Stansted and Cambridge.

Employment growth projections

HJA has identified growth of up to 9,000 jobs over the period 2011 to 2033.

Harlow

Functional economic market area

Harlow has not set out a definitive FEMA, but it sees itself as the sub-regional centre for West Essex and East Hertfordshire.

Harlow, as a planned new town, acts as an important sub regional centre for both West Essex and East Hertfordshire situated in the M11 corridor. It provides not only a range of jobs at a number of major employment locations including the town centre and two EZ sites but also provides a host of retail and service sector provision. It also has a number of secondary schools and Harlow College which has a University Centre affiliated to Anglia Ruskin University. Princess Alexandria Hospital is also a major employer that has a sub-regional catchment.

Consequently Harlow wishes to recapture jobs lost as a consequence of the recession but also to increase job opportunities, especially in the ICT, Advanced Manufacturing and Life Science sectors and to redress the inflow of skilled, technical and professional workers to afford aspiration for the local community. Together with improved and increased housing provision this will help secure wider regeneration across the town.

[email from Paul McBride, Forward Planning Manager]

Employment growth projections

Harlow has set an employment growth aspiration between 8,000 and 12,000 jobs over the period 2011 to 2031. This range is based on five options which have been considered in a future growth study.

Harlow LDP: Emerging Strategy and Further Options, April 2014

The Council is also planning for the creation of between 8,000 and 12,000 new jobs and will be supporting investment from new businesses to broaden the town's employment base and to provide opportunities for the town's growing workforce. The Plan will also build on Harlow's status as one of 24 Enterprise Zones set up across England to drive job creation and business growth.

Exec Summary

The Employment Land Review projects employment in Harlow will increase by 3,900 jobs in the period 2011 to 2031. However, if the job losses arising from the recession are taken into account there would still be a net loss of jobs in Harlow between 2008 & 2031 despite the new firms that have recently been attracted to Harlow. ☒

*To address this the revised strategy seeks to **capture the 4,000 forecast jobs** for the period 2011 to 2031 and to **replace the 4,000 jobs lost** over the period 2008 to 2011. This would result in a **net increase of approximately 8,000 jobs** between 2011 and 2031 giving a total of 51,000 jobs in Harlow by 2031. In order to provide sufficient number of people to support these jobs an additional 9,200 people would need to be added to the town's labour force to correlate with the jobs growth aspirations. The Council's evidence (set out in the Harlow Future Prospects Study: Linking*

Regeneration and Growth) forecasts that an increase in the town's population of approximately 23,000 people would be needed to deliver this. This equals approximately 11,500 new dwellings. ☒

Para 4.12 and 4.13. p.22-23

Proposed level of development for Harlow

*Development between 12,000 and 15,000 new dwellings (600 and 750 dwellings per year) and **8,000 to 12,000 jobs (400 and 600 new jobs per year) between 2011 and 2031** is considered to be an appropriate range of development to be proposed at this stage. This level of development meets Harlow's objectively assessed needs and provides a positive platform to deliver regeneration objectives. ☒*

Para 4.26, p.28

Harlow Future Prospects Study, NLP, August 2013

The future prospects for Harlow have been assessed under five development scenarios.

Scenario A: *Do Nothing More (3,913 dwellings, -1,207 jobs). Under this scenario the town would experience decline in its younger (0-17) and working age population (18-64) as these groups move out in search of employment and housing. This option increases the risk that schools would have to close and that businesses would choose not to invest due to lack of labour supply. As shown during the 1970s and 80s, the town faces a real prospect of decline under this scenario.*

Scenario B: *Meeting Development Needs (7,485 dwellings, +3,057 jobs). This scenario is the point at which the potential for future decline is minimised. This scenario corresponds to growth in both the younger (0- 17) and working age population (18-64) of Harlow. This scenario also corresponds to an increase in jobs over the period, albeit not enough to regain the jobs lost between 2008 and 2011. Under this scenario the town would grow but would fail to deliver sufficient growth to meet a wide number of objectives.*

Scenario C: *Jobs Led (11,490 dwellings, 8,060 jobs). This scenario would see an increase in 0-17 and 18-46 age groups of 23% and 25% respectively. This scenario corresponds to the ambient job growth potential of Harlow and is the point at which the town can deliver the majority of its affordable housing needs. A number of other regeneration objectives also become more likely to be delivered at this level of growth. This scenario would see Harlow growing to a similar size as Basingstoke or Crawley.*

Scenario D: *Growing Centre (15,000 dwellings, 12,099 jobs). Under this scenario the town would experience significant increases in the number of 0-17 and 18-46 year olds (41% and 33% respectively). This scenario would lead to Harlow's population increasing to 114,000 people, the equivalent of Welwyn-Hatfield. This level of growth could support a substantially improved retail offer and enhanced higher education offer. ☒*

Scenario E: *Transformed Centre (20,000 dwellings, 18,121 jobs). This scenario sees Harlow expanding to a town of 132,000 people, larger than present day Cambridge. This would correspond to significant increases in the number of 0-17 and 18-46 year olds (81% and 49% respectively). This*

option is considered to be the point at which multiple regeneration objectives could be delivered, including comprehensive town centre regeneration and a 'step change' in economic growth. ☒

Uttlesford

Functional economic market area

No work has been done on defining a FEMA.

Employment growth projections

An employment growth of 9,200 over the local plan period of 2011 to 2031 has been proposed. However the Local Plan Examination Inspector has suggested that this needs to be carefully considered, given the growth potential of Stansted Airport.

Examination of the Local Plan: Inspectors Conclusions, December 2014

The plan's employment target set out in policy SP3 is 9,200 additional jobs for the period 2011-31. This derives from table 27 'predicted Uttlesford job changes by type 2011-2031' in the Employment Land Review (ELR) of April 2011, which is itself based on the East of England Forecasting Model of Autumn 2009. It is unclear what part the expected growth of employment Stansted Airport plays in that total, but current estimates by new owners Manchester Airport Group (MAG) indicate that Stansted could itself provide growth in jobs of that order if its traffic were to increase to 35mmpa over the plan period.

Para 3.16, p.13

The ELR indicates that there is little if any discernible linkage between the quantity of housing allocated in the plan and the number of jobs likely to be created over the plan period in recognised 'employment' uses (offices, industry and warehousing), especially given the nature and location of Uttlesford and its travel-to-work patterns.

Para 3.17, p.13

UDC Response to the Inspector's invitation to submit statements: matter 5, October 2014

Statement of common ground between MAG and UDC

Potential to increase on-site employment by 8,800.

Uttlesford Local Plan: Pre-submission consultation, April 2014

[Withdrawn from the examination process on advice from the Inspector]

In 2012 the Council approved an Economic Development Strategy for 2012-2014. [No explicit job growth numbers] Para 9.3 p.26

April 2011 ELR (para. 9.6 p.27):

3. -1,700 jobs in factories
4. +1,450 jobs in warehouses
5. +2,150 jobs in offices
6. +1,900 job net

Employment Land Review, April 2011

Focus on B Use Class

Net change of 9,200 jobs 2011 to 2031 (p.8). Claimed to be unfeasible, but no alternative in place, so adopted as an 'indicative' target

Appendix 2: Adjustments for Stansted Growth

Key Messages

- London Stansted Airport higher growth scenario is likely to generate an additional 10,000 on-site jobs over the SHMA period.
- Due to displacement effects elsewhere in the SHMA area we estimate 8,750 net additional jobs.
- We estimate that the EEFM already includes growth of around 2,200 jobs at Stansted. The EEFM is also likely to include some further indirect and induced effects across the SHMA area.
- Combining these creates an additional uplift to EEFM baseline, based on high growth at Stansted, of 6,500 jobs over the SHMA period.
- This equates to an additional 300 jobs per annum, in addition to the baseline (core growth) of 1,590 jobs per annum.
- Total average annual job growth therefore increases to 1,895 per annum.
- Oxford Economics analysis suggests there are opportunities for a high proportion of on-site jobs to be filled by in commuters. Currently 45% of airport jobs are filled by those resident outside the SHMA area. OE suggest this figure could rise with appropriate efforts.
- A fast rail link from London to Stansted would improve access for London residents to these jobs but also increase the likelihood of out commuting from the HMA into London.

SDP Growth Plans

Planning permission has been awarded for expansion at Stansted, to accommodate up to 35 million passengers per annum (mppa). There are two core documents which have been reviewed. The SDP Economy and Surface Access report (2015) and the Economic Impact of Stansted Scenarios (2013) report prepared by Oxford Economics.

A number of scenarios are tested across the two documents with the two lead options focusing on maximising growth with a single runway. The primary variable in the two scenarios is passenger throughput. The lower scenario is based on 35 million passengers per annum (mppa) and a higher scenario based on 45 mppa. HJA has not assessed the validity of these growth ambitions.

The two documents consider both these scenarios, but state slightly different total on-site employment projections. The most substantive variance relates to the 35 mppa. At the officers meeting the higher scenario was suggested as the basis for other planning policy work being undertaken to develop the Uttlesford Local Plan. For this scenario the figures are broadly consistent.

	35 mppa	45 mppa
SDP	18,800	19,650
Oxford Economics	16,800	20,000

In total employment terms this represents an increase of onsite employment in the region of 10,000 over the analysis period 2011-33. Differing documents use differing base years and current employment levels.

The Oxford Economics report sets out a detailed economic impact analysis of expansion, taking into account the displacement effects of such growth within the LSCC. That is, the fact that substantial expansion of the airport will offset some growth that would otherwise have taken place in any event. Oxford Economics apply slightly differing rates of displacement depending on the quality of employment opportunity. For the higher growth scenario OE estimate a net additional 7,000 direct jobs, this is reduced to 4,000 for the lower growth scenario. Some of this displacement effect would lie outside the SHMA area. A figure of 50% is attributed to the HMA. Leading to an HMA effect of 8,500 additional jobs.

OE also provide an estimate of indirect and induced employment effects across the entire LSCC. They indicate the need to adjust these for displacement although detailed figures are not provided. HJA analysis suggests after taking into account displacement a further 500 jobs in the LSCC might be supported over the Plan period. Only a proportion of these would be within the HMA. The share is uncertain but is likely to be no more than 50% (250 jobs).

EEFM 2014 Baseline

The EEFM 2014 Baseline has formed the basis for HJA analysis to date. It is important to understand what level of growth of Stansted employment may already be inherent within the EEFM. There is no definitive figure but an assessment can be made.

Historic employment data for Stansted has been analysed to understand the share of Uttlesford employment by sector which is at Stansted currently. These shares are then applied to the EEFM forecasts for Uttlesford. This analysis indicates a figure of 2,200 additional jobs at Uttlesford based on this share. It is uncertain as to the extent higher levels of growth for Stansted have been applied within the EEFM baseline. Therefore this baseline level of growth is assumed.

On this basis the growth of Stansted as set out within the SDP would lead to an additional 6,500 jobs within Uttlesford.

What does this mean for growth to inform the SHMA?

Spread over the 22 year SHMA period this would increase workplace based jobs by around 300 per annum above the EEFM baseline. Increasing the core figure from 1,590 to 1,895 per annum.

Considering the increase to 35 mppa the increase is lower, to around 1,750 jobs per annum.

Local Workforce Implications

The scope of the HJA research is to consider the scale of workplace based jobs in the HMA. However, the following may be of interest to ORS.

The OE report considers this issue in some detail. However, it is not focused at the HMA level and therefore it needs some interpretation.

The OE analysis suggests around one third of jobs might be filled by those currently unemployed, one third by those currently inactive and one third from new migrants.

The FEMA for the airport is different to the FEMA for the SHMA are. Any additional housing provision that would be associated with accommodating additional migrant workers could be located within the catchment of the airport and not necessarily within the West Essex and East Herts HMA.

The evidence presented by OE and new evidence provided to HJA indicates that 55% of existing Stansted workforce is resident within the HMA. A starting assumption may be that this pattern continues. This suggests 45% in commuting to Stansted, higher than the average rate for the HMA (29% if including all home workers and those of no fixed place of work, 38% if only including those with a designated workplace away from the home).

It would therefore be appropriate to ensure a Stansted specific in commuting rate is applied to the additional employment.

More detailed work by OE highlights that the labour market situation in much of the HMA is already tight. It is therefore suggested a greater share of future labour to meet the growth aspirations at Stansted could come from locations with higher unemployment. This implies future in commuting for Stansted employment could be higher than the existing pattern. In order to support such an assumption there is a need to make a logical case. The potential workforce locations cited include Harlow, Peterborough, Haringey, Enfield and Waltham Forest. These latter three being London Boroughs where there is already a skills academy established. If this is not the case the report makes clear there will be a need for an increase in working age population locally and the associated housing provision.

The OE work sets out the case for a fast link to London which will improve connectivity substantially.

There is therefore a logical argument to support increased in commuting to Stansted based on:

- Available labour supply
- Improved transport infrastructure
- Specific skills and workforce engagement activities in target locations.

There is no quantification of this effect. However, it may be appropriate to test some alternative scenarios in order to inform policy development. HJA would recommend the following for the uplift in jobs above baseline:

- Existing Stansted in-commuting rate – 45%
- Low increase – 50%
- Medium increase – 55%
- High increase – 60%

These scenarios could be tested against the 35 and 45 mppa scenarios. The following table provides a summary. Percentage figures show the in commuting ratio to be applied to the uplift in jobs only. The ORS baseline assumption applies to the core job growth at all times.

	EEFM Baseline	35 mppa	45 mppa
Jobs (Workplace based)	1,590 per annum	1,750 per annum	1,895 per annum

	EEFM Baseline	35 mppa	45 mppa
Uplift on baseline		160 per annum	300 per annum
Existing commuting	ORS Baseline model	45%	45%
Low increase	n/a	50%	50%
Medium increase	n/a	55%	55%
High increase	n/a	60%	60%

Such scenario testing will identify the scale of sensitivity to varying assumptions.

It should also be noted that the OE analysis identifies that improvements to fast rail routes to Stansted will likely increase the propensity to commute into London, particularly from the HMA districts that will benefit from reduced travel times to central London. A figure of 7,000 additional out commuters is estimated by OE. The implications of this are uncertain, will that create a further drain on local labour supply to meet employment growth?

It is also noted that if Stansted grows to the higher scenario it will require a mix of both short and long haul flight destinations. This is likely to boost the attractiveness of the area to FDI.