

**South Staffordshire Publication  
Plan (Pre-Submission) 2024**  
**Representations on behalf of  
Richborough**

**Land at Gailey Lea Farm**

Richborough Estates

30 May 2024

**LICHFIELDS**

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## Executive Summary

These representations to the South Staffordshire Publication Plan (Pre-Submission) 2024 (“the 2024 PP”) have been prepared by Lichfields on behalf of Richborough. They focus on the strategic employment matters that are contained within the 2024 PP consultation document and relate specifically to Richborough’s land interests at Land at Gailey Lea Farm, Gailey Lea Lane, South Staffordshire (“the Site”).

Importantly, these representations relate to Richborough’s interests at the Site only. Richborough is promoting other sites for residential uses within the District and has commented separately on non-employment-related matters in each set of respective representations where necessary. However, a summary of Richborough’s response to key policies contained within the 2024 PP is set out below:

### Policy DS4: Development Needs

Draft Policy DS4 (Development Needs) sets out the Council’s proposed employment land requirement for the plan period up to 2041, which includes a contribution towards meeting the unmet employment land needs of the Black Country Authorities [BCAs]. Draft Policy DS4 states that the Council will deliver a minimum of 107.45 ha between 2023-2041 to meet the district’s 62.4 ha needs, alongside making a contribution of 45.2 ha to the BCA’s unmet needs. When coupled with the proposed proportion of the West Midlands Interchange [WMI] (i.e. 67 ha), this would increase the Council’s proposed contribution towards unmet employment land needs of the BCAs to 112.2 ha.

This is underpinned by the Council’s latest Economic Development Needs Assessment [EDNA], which was published in March 2024 by SPRU. The EDNA updates its 2022 iteration and purports to provide an up-to-date position of the employment land requirements of South Staffordshire District through to 2041. The previous 2022 EDNA identified objectively assessed employment land needs [OAN] of 63.6 ha over the period 2020 to 2040, rising to 72.4 ha when incorporating the WMI and other adjustments. The 2024 EDNA updates this work to respond to a different timeframe. It also adapts its approach in response to some of the comments that were submitted by interested parties (including Lichfields, on behalf of Richborough) to the 2022 Publication Plan (“the 2022 PP”) that was undertaken in November-December 2022.

The 2024 EDNA now concludes that the District has a gross residual OAN of 62.4 ha for the period 2023-2041, increasing to 72.4 ha inclusive of the WMI apportionment. Set against a claimed pipeline supply of 89.95 ha (split 81.7 ha strategic and 8.2 ha non-strategic), the EDNA concludes that South Staffordshire can make an updated contribution towards the Black Country’s unmet employment needs of 27.6 ha. It also states that the amount of the WMI that will contribute to South Staffordshire’s employment land supply remains at 18.8 ha, inclusive of 8.8 ha which is not currently captured by the forecast labour demand.

Richborough previously submitted representations (Appendix 3) which set out a series of criticisms of the approach taken to determining needs in the 2022 EDNA, which are referenced in the latest EDNA. The fact that South Staffordshire Council (“the Council”) has commissioned up-to-date evidence on employment land needs is very much welcomed, as is the relatively positive commentary in EDNA regarding the need to boost delivery in the face of suppressed supply historically. However, Richborough considers that the main criticisms set out in Richborough’s previous response to the 2022 PP (Appendix 3) therefore largely hold true with this latest iteration.

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Fundamentally, the calculation is highly complex and relies on mixing and matching projections. Richborough have concerns regarding the robustness of the EDNA's employment land calculations and considers that a more aspirational approach ought to have been progressed. In particular, there are inconsistencies/errors in the modelling and clear omissions in the modelling that could increase the overall requirement significantly:

- 1 For example, the loss replacement of 12.1 ha is based on a miscalculation of the annual average of committed losses, which, if corrected, would increase the adjustment by around 8ha (to 20.1 ha). Even if the 2,679 sqm annual replacement figure was accurate, this is a low level of replacement given the size of the District. At this rate, it would take 324 years for the District's entire floorspace stock to be replaced.
  - 2 The Completions Trend scenarios significantly underplay the true scale of need by excluding a margin of choice and the substantial levels of strategic sites that have come forward in recent years;
  - 3 Logistics is under-represented in the modelling and the forecasting does not reflect the substantial recent growth in the sector in recent years nor the market intelligence which points to identified shortfalls in available industrial floorspace in South Staffordshire of all sizes and unprecedented demand for large logistics in this prime location;
  - 4 The Growth Scenario is not aspirational enough and should apply a percentage growth rate to the District-level figure. The current approach suppresses logistics needs compared to recent trends;
  - 5 The WMI is an important contributor to wider strategic needs, but it is not the role of this EDNA to attempt to quantify how much of its land actually contributes to the needs of the District - this has already been calculated on a consistent basis for the wider region. The resultant figure, of 5 ha, is far below the EDNA's 18.8 ha calculation which appears flawed in certain respects;
  - 6 SPRU's approach to calculating strategic needs assumes that the Experian-led econometric Growth Forecast factors in all of the strategic requirements when this is simply not the case - the very modest addition of 44 jobs per annum to uplift the Transport & Storage sector growth is inadequate to meet likely future growth needs and should be greater.
  - 7 The latest forecasting data from Cambridge Econometrics [CE] and Experian should be obtained and remodelled given the passage of time. The March 2024 Experian projections suggest that instead of a net employment growth of 3,500 between 2020 and 2041 as per the November 2021 forecasts, the District's economy will grow by 4,900 jobs, an uplift of 40%. There is also forecast to be a much stronger growth in the Transport and Storage sector (from +100 to +700), pointing to a net increase in demand for B8 logistics sites.
  - 8 The EDNA's identification of 27.6 ha unmet need contribution from the current supply is unfounded. The calculation is at least partly based on past trends completions that do not include 'true' strategic take up from JLR, Amazon and Gestamp;
  - 9 The EDNA does not model the strategic employment land needs of the Functional Economic Market Area [FEMA] as a whole and then attempts to justify South Staffordshire's contribution. That is the remit of a wider strategic study; and
  - 10 The Avison Young /Arcadis *West Midlands Strategic Employment Sites Study – Final Report* [WMSESS 2021], concludes that there is an urgent need to identify a pipeline of new Strategic Employment Sites across the region to meet needs beyond the 7.41 years (or less) of supply that exists in allocations and committed sites. For the BCAs and South Staffordshire 'key location', this
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increases to 8.17 years. Excluding industry-promoted sites without an allocation, this falls to just 3.23 years for Area 4 which South Staffordshire is located within.

As such, Richborough still considers that the gross residual OAN of 62.4 ha for the period 2023-2041, increasing to 72.4 ha inclusive of the WMI apportionment, is inadequate to address the pent-up demand and risks suppressing the District's economy for years to come. Furthermore, we disagree that the provision of 27.6 ha and the WMI represents a 'proportionate' contribution to meeting wider unmet needs across the FEMA. On the basis of the above, Richborough strongly contends that there is a clear and cogent need for additional employment land within the District to meet not just only the District's own employment needs, but to assist in addressing the acute shortfall arising from the BCAs.

However, it should be noted that Richborough reserves the right to prepare a further more detailed analysis of the employment land needs of the District in response to the Inspector's Matters and Questions in due course. Ultimately, these representations serve as indicator to the Inspector that the Council's evidence base is unjustified, and that Richborough will undertake further detailed analysis in advance of the EiP.

In addition, whilst the 2024 PP recognises the pressing long-term unmet housing and employment needs of the FEMA and Greater Birmingham and Black Country Housing Market Area [GBBCHMA] and sets out how the Council would monitor the performance of the LPR, the Council does not commit to an LPR within the 2024 PP. The Council's current position fails to provide any certainty and would fail to deliver against identified housing and employment needs within the GBBCHMA and FEMA in the period post-2031 and up to 2041. The failure to commit to a review of the plan would also be contrary to paragraph 33 of the National Planning Policy Framework (December 2023) [NPPF] which requires a review at "least once every five years".

As a result, Richborough considers that the effectiveness of the Local Plan Review [LPR] could be significantly increased through the provision of an additional planning policy to require the plan to be reviewed within 12-24 months of adoption to ensure that the Council plays its role in accommodating these unmet needs under the requirements of the Duty to Co-operate [DtC] (Para 24, NPPF). Importantly, an early review mechanism secured by way of a policy requirement would prove far more effective than the statutory requirement of NPPF paragraph 33.

## **Policy DS5 – The Spatial Strategy to 2041**

Draft Policy DS5 (The Spatial Strategy to 2041) sets out the Council's proposed spatial strategy to address the plan's housing requirement for the plan period up to 2041. The 2024 PP notes that the proposed spatial strategy has been revised since the 2022 PP, following changes to the NPPF (Para 5.12); albeit this relates more to strategic housing matters rather than employment. However, as a part of the 2024 PP, the Council has allocated a further employment site for c.17 ha at Junction 13 of the M6. Ultimately, the Council's proposed approach to delivering employment land growth across the District remains broadly similar to its previous approach proposed within the 2022 PP.

In general, Richborough has no objections – in principle – to the thrust of the Council's proposed spatial strategy for employment. It is entirely logical to seek to focus additional employment growth in well-established employment locations. However, Richborough is concerned that draft Policy DS5 (The Spatial Strategy to 2041) as it is drafted is unsound as it does not identify or allocate sufficient employment sites to provide for objectively assessed needs and those that cannot be met within neighbouring areas (Para 11b). As noted above, Richborough remains of the view that it is clear that

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additional employment sites will be required to meet the additional need for employment land within the District.

In this regard, whilst Richborough's Site has been considered through the Economic Strategy & Employment Site Assessment Topic Paper (April 2024) ("2024 ESES Topic Paper") and 'Sustainability Appraisal of the South Staffordshire Local Plan Review (2023-2041)' (March 2024) ("the 2024 SA"), despite Richborough's previous comments on the assessment of the Site in the 2022 PP, the Site has again been discounted. Instead, the Council has elected to allocate an additional employment land allocation at Junction 13.

Importantly, upon review of the Council's evidence base, Richborough is of the view that the analysis and justification provided by the Council for discounting the Site is poorly evidenced and not supported by justified evidence. At present, the Council runs the risk of potentially falling into a position where either the evaluation of reasonable alternatives in the SA and Site Selection Process could be interpreted to either have not been undertaken properly or to have been 'improperly restricted', in the context of the iterative process necessary for progressing a plan.

As Richborough has previously set out, there are no other 'sequentially preferable' strategic employment opportunities. The scale of the unmet employment needs of the FEMA is such that Green Belt release is fundamentally required to meet the longer-term strategic needs. As such, it is entirely reasonable to release 'high' performing Green Belt land at Gailey Lea to address the unmet employment needs of the FEMA – such an approach is entirely consistent with the NPPF. Richborough has demonstrated that the Site is deliverable and would deliver significant benefits, whilst assisting the Council in addressing their objectively assessed needs and the unmet needs of the FEMA and wider region. As such, Richborough strongly contends that there is a clear and cogent need for additional employment land within the District to meet not just only the District's own employment needs, but to assist in addressing the acute shortfall arising from the BCAs, and Richborough's Site should be included within the 2024 as a logical and sustainable strategic employment allocation.

Notwithstanding this, should this matter be deferred, it is clear that through a future LPR, the Council will need to release further employment land, either to address wider FEMA needs or the District's. As shown in the ELNS Alternative Site Assessment submitted in support of Richborough's representation to the 2022 PP (Appendix 3), there are limited options for meeting these long-term strategic site needs outside of the Green Belt, by virtue of a majority of the sites that are adjacent to the Strategic Road Network [SRN] being within the Green Belt. As such, the permanence of the Council's currently proposed Green Belt boundaries is in doubt, as it is very likely that the Council will again need to revisit releasing Green Belt land in due course. In this regard, the identification of additional safeguarded land will ensure that Green Belt boundaries will not need to be altered at the end of the plan period. As such, Richborough considers that the effectiveness of the LPR could be significantly increased through the provision of an additional planning policy to safeguard land for future development, via the inclusion of a Safeguarded Land policy.

## **Why are the policies unsound? and Recommend steps to ensure soundness?**

Ultimately, Richborough's representations have focussed on matters which we consider require further consideration with regard to legal compliance, the tests of soundness and the DtC. Richborough considers that the following changes to policy wording should be undertaken to ensure that the

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Council’s LPR can be assessed as sound through the Examination in Public [EiP] process. The key matters arising from the representation are summarised in the table below:

Table 1.1 Key Matters of Soundness and Recommended Policy Changes

Policy Reference	Reason for Representation	Recommended Policy Change
<p><b>Policy DS4: Development Needs</b></p>	<p><b>Is not compliant with national policy – not justified, effective, or positively prepared – nor legally compliant with the DtC:</b> the Council’s current approach to addressing its own needs, or the unmet needs of the FEMA and wider area is not appropriate or justified by robust evidence; as a result, Richborough considers that there is a cogent argument for the Council to accommodate further employment growth within the District, as it is unlikely that this could be accommodated elsewhere within the FEMA and beyond.</p> <p>It is therefore critical that a FEMA-wide approach to ensuring additional, well-located sites, which are capable of accommodating larger units, are brought forward through the Council’s LPR to help meet demand and deliver high-quality floor space within the FEMA. This is critical in order for the LPR to accord with paragraphs 11b, 24, 35c, 85, 86c and 87 of the NPPF and the guidance within the PPG.</p>	<p>Policy DS4 (Development Needs) should be amended to reflect a more realistic assessment of the District’s employment land needs over the plan period as well as an increased contribution towards the unmet employment land needs of the BCA and potentially Birmingham.</p> <p>This would ensure that the 2024 PP is sound and compliant with paragraphs 11b, 24, 35c, 85, 86c and 87 of the NPPF and the guidance within the PPG.</p>
	<p><b>Is not compliant with national policy – not effective, or positively prepared:</b> The absence of a commitment to review the plan to address the unmet needs of the FEMA and GBBCHMA results in the Council failing to provide any certainty for how these needs will be met in the long term, and ultimately failing to deliver against identified unmet housing and employment needs, contrary to paragraphs 24 and 33 of the NPPF.</p>	<p>The Council should include a modification to the 2024 PP to ensure that a review policy is included to ensure that the unmet needs of the FEMA and GBBCHMA can be met shortly after the adoption of the LPR (i.e. 18-24 months after adoption).</p> <p>This would ensure that the 2024 PP is sound and compliant with paragraphs 11b, 24, and 33 of the NPPF and the guidance within the PPG.</p>
<p><b>Policy DS5 – The Spatial Strategy to 2041</b></p>	<p><b>Is not compliant with national policy – not justified, effective, or positively prepared:</b> The analysis and justification provided by the Council for discounting the Site is poorly evidenced and not supported by justified evidence. There are no other ‘sequentially preferable’ strategic employment opportunities outside of the Green Belt and the scale of the unmet employment needs of the FEMA is such that Green Belt release is fundamentally required to meet the longer-term strategic needs.</p> <p>As such, Richborough strongly contends that that there is a clear and cogent need for additional employment land within the District to meet not just only the District’s own employment needs, but also to assist in addressing the acute shortfall arising from the BCAs, and Richborough’s Site should be included within the 2024 as a logical and sustainable strategic employment allocation.</p>	<p>Policy DS5 (The Spatial Strategy to 2041) should be amended to include Richborough’s Site (Site Ref: E58a and E58b) as an employment allocation for 87 ha, capable of accommodating c.228,000 square meters [sq. m] of high-quality B8/Logistics floor space.</p> <p>This would ensure that the Council is adequately addressing its own employment land needs over the plan period as well as an increased contribution towards the unmet employment land needs of the BCA and potentially Birmingham.</p> <p>This would ensure that the 2024 PP is sound and compliant with paragraphs 11b, 24, 35c, 85, 86c and 87 of the NPPF and the guidance within the PPG.</p>

Policy Reference	Reason for Representation	Recommended Policy Change
	<p><b>Is not compliant with national policy – not effective, or positively prepared:</b> It is clear that through a future LPR, the Council will need to release further employment land, either to address wider FEMA needs or the District's.</p> <p>As such, the permanence of the Council's currently proposed Green Belt boundaries is in doubt, as it is very likely that the Council will again need to revisit releasing Green Belt land in due course. In this regard, the identification of additional safeguarded land will ensure that Green Belt boundaries will not need to be altered at the end of the plan period. This is critical in order for the LPR to accord with paragraphs 11b, 16a, 16b, 24, 35a-d, 85, 86c, 148c and 148e of the NPPF.</p>	<p>The Council should include a modification to the 2024 PP which inserts a new Safeguarded Land policy which identifies 10 years' worth of safeguarded land to ensure that safeguarded land will be available, if needed, as a buffer to ensure that the Green Belt boundary retains a degree of permanence. To this end, Richborough has suggested the below policy wording:</p> <p><i>"Policy DS7 – Land Safeguarded for Longer Term Employment Needs</i></p> <p><i>a) Safeguarded land has been identified for employment development for the period 2039 – 2049. This is at the four existing freestanding strategic employment sites at i54, Hilton Cross, ROF Featherstone/Brinsford and Four Ashes and Land at Gailey Lea Farm (Site Ref. E58).</i></p> <p><i>b) All safeguarded land identified for longer-term development needs and removed from the Green Belt (including existing safeguarded land) will retain its safeguarded land designation until a review of the Local Plan proposes the development of those areas in whole or part. Planning applications for permanent development prior to allocation in the Local Plan will be regarded as departures from the Plan."</i></p> <p>This would ensure that the 2024 PP is sound and compliant with paragraphs 11b, 16a, 16b, 24, 35a-d, 85, 86c, 148c and 148e of the NPPF.</p>

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## 1.0 Introduction

- 1.1 These representations to the 2024 PP have been prepared by Lichfields on behalf of Richborough.
- 1.2 We focus on the strategic employment matters that are contained within the 2024 PP consultation document and relate specifically to Richborough's land interests (Appendix 1).
- 1.3 Richborough seeks to work constructively with the Council as it progresses towards the adoption of the LPR and trusts that the comments contained within this document will assist Officers in this regard.
- 1.4 Importantly, these representations relate to Richborough's interests at the Site only. Richborough is promoting other sites for residential uses within the District and has commented separately on non-employment-related matters in each set of respective representations where necessary.
- 1.5 In this regard, Richborough seeks to work constructively with the Council and Inspector as it progresses towards the submission and adoption of the LPR to ensure that sufficient employment land has been allocated to meet these needs and trusts that the comments contained within this document will assist Officers in this regard. As previously advised, Richborough would be pleased to meet with the Council to discuss the opportunities presented by the Site.

## Plan-making to date

- 1.6 To date, the Council has consulted on an 'Issues and Options Consultation' ("IOC") between 8 October and 30 November 2018, followed by the South Staffordshire Spatial Housing Strategy & Infrastructure Delivery ("the SHSID") and the Infrastructure Delivery Plan 2019 [IDP] between 17 October until 12 December 2019. These were followed by a Preferred Options [PO] consultation from November to December 2021 and a 2022 PP between 11 November 11 and 23 December 2022. Following changes to the NPPF in 2023, the Council is now undertaking a consultation on the 2024 PP, which asks for views on the legal soundness of the Council's 2024 PP and the policies within it, prior to submission to the Secretary of State for EiP.

## Proposals for the Site

- 1.7 As the Council will be aware, Richborough is proposing a new high-quality employment site at Land at Gailey Lea Farm (Site Ref: E58a and E58b). The Site is ideally located to capitalise on the approval of the adjacent WMI – separated by the M6 – and therefore its proximity to both the SRN and Strategic Railfreight Interchange [SRFI]. The WMI will have a significant urbanising impact on the Green Belt land surrounding it and will – importantly – heighten the importance of Junction 12 of the M6 as an SRN junction for HGV vehicles travelling to and from the WMI.
- 1.8 The WMI SRFI, located west of Junction 12 of the M6, will connect to the West Coast Main Line, one of the country's principal rail freight routes. The primary role of the SRFI is to provide new rail-served and rail-linked warehousing allowing the West Midlands, the Black



Country, Staffordshire and Birmingham’s important logistics industry to grow. Importantly, the SRFI will be an open-access intermodal terminal, operated by an independent service provider, but open to all users and train operators. This will enable other employment sites within the District to capitalise on this modal shift of freight within the area. It is clear that the WMI will play a crucial role in the wider region’s economic future and is likely to draw significant interest from regional and national businesses within the area.

- 1.9 In this regard, the Site is ideally located in an area that will appeal to regional and national companies looking to capitalise on the opportunity and connections presented by the recently approved WMI, whether that be manufacturers, or rail-linked storage and warehousing. As such, Richborough’s ‘Vision’ for the Site comprises a high-quality, sustainable, attractive and accessible development, complementing the existing WMI in the area. In this context, Richborough prepared a Vision Document (Appendix 2) which was submitted in April 2022 in support of Richborough’s earlier Call for Sites submission in December 2021.
- 1.10 Equally, were the WMI to not come forward as anticipated, Richborough considers that the Site would still present a significant and logical opportunity to deliver employment growth at a strategic scale, by virtue of its connections onto the SRN. As such, the development would still be capable of delivering significant benefits.

Figure 1.1 Indicative Masterplan



Source: Richborough Estates

- 1.11 The indicative masterplan that has been prepared demonstrates how the Site could deliver approximately c.228,000 square meters [sq. m.] of high-quality B8/Logistics floor space,



together with attractive open space, other supporting infrastructure and a visual buffer of planting along the northern Site edge to create a defensible boundary.

- 1.12 Importantly, Richborough considers that the release of the Site from the Green Belt, and allocation of the site for employment in the emerging LPR, would unlock the Site's position along this key employment corridor on the SRN and next to the open-access SRFI and secure long-term success and economic growth in South Staffordshire and across the FEMA more widely.

## Structure

- 1.13 These representations are structured around the policies set out in the PP consultation, these being:
- Policy DS4: Development Needs; and
  - Policy DS5 – The Spatial Strategy to 2041.

## 2.0 Policy DS4: Development Needs

- 2.1 Draft Policy DS4 (Development Needs) sets out the Council's proposed employment land requirement for the plan period up to 2041, which includes a contribution towards meeting the unmet employment land needs of the BCAs. In particular, draft Policy DS4 states that the Council will deliver a minimum of 107.45 ha between 2023-2041 to meet the district's 62.4 ha needs, alongside making a contribution of 45.2 ha to the BCA's unmet needs. When coupled with the proposed proportion of the WMI (i.e. 67 ha), this would increase the Council's proposed contribution towards unmet employment land needs of the BCAs to 112.2 ha. Richborough has the below comments on draft Policy DS4, and the evidence base underpinning it, which it is considered would need to be addressed by the Council and Inspector to ensure the policy is robust and sound.

### Critique of 2024 EDNA Update

- 2.1 The Council's latest EDNA was published in March 2024 by SPRU. The EDNA updates its 2022 iteration and purports to provide an up-to-date position of the employment land requirements of South Staffordshire District through to 2041.
- 2.2 The previous 2022 EDNA identified an OAN of 63.6 ha over the period 2020 to 2040, rising to 72.4 ha when incorporating the WMI and other adjustments. The 2024 EDNA updates this work to respond to a different timeframe. It also adapts its approach in response to some of the comments that were submitted by interested parties (including Lichfields, on behalf of Richborough) to the 2022 PP that was undertaken in November-December 2022.
- 2.3 The 2024 EDNA now concludes that the District has a gross residual OAN of **62.4 ha** for the period 2023-2041, increasing to **72.4 ha** inclusive of the WMI apportionment. Set against a claimed pipeline supply of 89.95 ha (split 81.7 ha strategic and 8.2 ha non-strategic), the EDNA concludes that South Staffordshire can make an updated contribution towards the Black Country's unmet employment needs of 27.6 ha. It also states that the amount of the WMI that will contribute to South Staffordshire's employment land supply remains at **18.8 ha**, inclusive of 8.8 ha which is not currently captured by the forecast labour demand.
- 2.4 Richborough previously submitted representations (Appendix 3) which set out a series of criticisms of the approach taken to determining needs in the 2022 EDNA which are referenced in the latest document. These comprised:
- There are inconsistencies and errors in the modelling and clear omissions in the modelling (particularly in regard to the exclusion of a vacancy adjustment, the lack of a margin of choice in the past completions scenario, the scale of loss replacement and the adjustment for homeworking) that would increase the overall requirement significantly;
  - The completions trend scenario underplays the scale of need by excluding a margin of choice and the substantial levels of strategic sites that have come forward in recent years;
  - Logistics is under-represented in the modelling and the forecasting does not reflect the substantial recent growth in the sector in recent years nor the market intelligence which

points to identified shortfalls in available industrial floorspace in South Staffordshire of all sizes and unprecedented demand for large logistics in this prime location;

- The Growth Scenario is not aspirational enough and should apply a percentage growth rate to the District-level figure. The current approach suppresses logistics needs compared to recent trends;
- The WMI is an important contributor to wider strategic needs but it is not the role of this EDNA to attempt to quantify how much of its land actually contributes to the needs of South Staffordshire District – this has already been calculated on a consistent basis for the wider region. The resultant figure, of 5 ha, is far below the EDNA’s 18.8 ha calculation;
- SPRU’s approach to calculating strategic needs assumes that the Experian-based Growth Scenario factors in all of the strategic requirements, when this is not the case – the very modest addition of 44 jobs per annum to uplift the Transport & Storage sector growth is insufficient to meet likely future growth needs and should be significantly in excess of that figure.
- The EDNA’s identification of 36.6 ha unmet need contribution from the current supply is unfounded. The calculation is based on past trends completions that do not include ‘true’ strategic take up from JLR, Amazon and Gestamp, and bakes in strategic needs of just 0.2 ha of B8 logistics;
- Fundamentally the EDNA does not model the strategic employment land needs of the FEMA as a whole and then attempt to justify South Staffordshire’s contribution. That should be the remit of a wider strategic study. Until that exercise is completed, it cannot be said with conviction that 36.6 ha plus the WMI represents a ‘proportionate’ contribution to meeting wider needs across the FEMA.

2.5 The 2024 EDNA states that it has responded to some of these comments, but also states that:

*“In order to provide consistency, the methodology for assessing the District’s employment land requirements in this EDNA Update is the same as that used in the EDNA 2022. The approach used in the EDNA 2022 is considered to be robust and the EDNA Update should therefore be considered a ‘refresh’ of the existing evidence which will not require a fundamental change to the Council’s strategy for addressing the needs identified” [EDNA 2024, paragraph 1.5].*

2.6 The main criticisms set out in Richborough’s previous response to the 2022 PP therefore largely hold true with this latest iteration; however, we have summarised Richborough’s key points from before, tailored to the minor tweaks made by SPRU to its approach in the 2024 EDNA as necessary, below. It should be noted that Richborough reserves the right to prepare a further more detailed analysis of the employment land needs of the District in response to the Inspector’s Matters and Questions in due course. Ultimately, these representations serve as indicator to the Inspector that the Council’s evidence base is unjustified, and that Richborough will undertake further detailed analysis in advance of the EiP.

## 1. Issues with the OAN Calculation for Employment Land

2.7 The 2024 EDNA models a range of scenarios to come to a gross employment land OAN figure of 62.4 ha. It is important at the outset to highlight just how complex this calculation is and the mixing and matching of inputs and scenarios that underpin the requirement.

2.8 Richborough’s understanding of how SPRU has come to this figure is broadly as follows:

- 1 The EDNA update retains the same economic forecasts which underpinned the 2022 EDNA but extends the forecasting period to 2041. This is justified in the EDNA by noting that more recent economic forecasts take account of short-term events such as increased inflation and the Russia-Ukraine conflict that result in downward revisions to growth forecasts, and as such switching to new forecasts would not represent planning positively for economic development. Based on the Experian forecasts utilised in the 2022 EDNA, extending the forecasting period to 2020-2041 results in an additional 500 jobs reflecting the additional year in the forecast period (from +3,000 to +3,500);
- 2 The job figures were again translated to Full Time Equivalents [FTE] based on the proportion of Full Time/Part Time jobs in the Business Register and Employment Survey [BRES]. No worked example is provided for the Experian baseline forecasts.
- 3 The methodology for preparing the ‘Growth Scenario’ is also retained, resulting in an enhanced forecast of **+5,326** net additional jobs to 2041. This represents an increase of 501 jobs over the 2022 EDNA equivalent (over a different timeframe);
- 4 The same Employment Densities are applied to the individual sectors relating to office, industrial and warehousing from the HCA Employment Densities Guidance 3<sup>rd</sup> Edition (2015) and a plot ratio of 40% is applied to translate this to land. This equates to a net employment land need of **37.2 ha** for the Experian-based Growth Scenario (of which 3.4 ha relates to office/R&D; 17.3 ha for industrial; and 16.4 ha for B8);
- 5 An adjustment for losses has been made that has been modified to reflect the annual average for current details for commitment losses (applied over three years) and multiplied across the total remaining 2023-41 period. The replacement demand is equal to **12.1 ha**, which is added to the 37.2 ha figure. This is a departure from the 2022 approach;
- 6 SPRU then revisits the net growth figures by sector and makes a downward adjustment to the floorspace to reflect homeworking. This reduces the net requirement by 5.9 ha to **43.4 ha** for the Experian-based Growth Scenario;

- 7 A flexibility margin of **16.3 ha** is then added, based on 5 years of completions excluding JLR, Amazon and Gestamp). This results in total gross employment land needs of **59.6 ha** for the Growth Scenario;
- 8 The EDNA then moves on to calculate gross employment land needs incorporating an apportionment of WMI.
- 9 Despite the Growth Scenario being based on the Experian projection with an uplift for key growth sectors, SPRU decides that this is an appropriate point to begin **mixing and matching the projections to reflect the nature of the West Midlands Interchange SRFI**. Specifically, it calculates that sub-regional trends for the Transport & Storage sector suggest a need of some 14.1 ha, to which is added a further 2.7 ha associated with net needs for the sector from the Experian baseline projection.
- 10 Then, as per the 2022 EDNA, an additional **0.5 ha** of B8 need arising from other sectors in the Growth Scenario is added. The resultant net figure, of 17.4 ha, is slightly higher than the 16.4 ha B8 figure in the growth scenario. However, no adjustment is subsequently made for homeworking, unlike in the Growth Scenario where **2.3 ha** was netted off the B8 requirement.
- 11 An allowance for losses of B8 floorspace to other uses is made (reflecting committed losses) equating to an additional **3.8ha** (as in the Growth Scenario);
- 12 Next, SPRU makes an adjustment to allow for future flexibility based on “*providing an extra five years’ provision for growth based on past take-up for all sectors providing for B8 floorspace*”. This is calculated based on 11 years’ take-up of B8 land excluding large one-off schemes on strategic sites and separate from the WMI. An average take-up of 0.88ha over five years becomes a further requirement for **4.4 ha** for all B8 uses (which reflects the approach taken in the earlier Growth Scenario).
- 13 **This brings the total gross B8 need to 25.6 ha for 2020-2041.**
- 14 SPRU then adds the CE growth in the transport and logistics sector, of **11.7 ha**, which apparently reflects local, rather than sub-regional growth;
- 15 From the 11.7 ha Transport & Storage CE Forecast, SPRU then deducts the **2.7 ha** from the Experian Baseline, to come to a figure of 9.8 ha. SPRU then deducts a further **2.78 ha** from the existing margin for flexibility accounted for in the overall gross needs calculation to come to a revised flexibility figure of **6.1 ha**;
- 16 This latter adjustment is concerning. Paragraph 8.3 ix) states that “*There has already been an allowance of 4.4 ha made for flexibility using an approach based on past take-up. A proportion of this must be removed to avoid double counting of the Transport & Storage sector. According to the CE forecast this sector has a growth rate of approximately 0.55 hectares per annum (11.7 ha / 21 years). Therefore, provision for an additional 5 years would be 2.78 hectares (0.55 x 5 = 2.78 ha). This would leave some 1.6 ha of the 4.4 hectares flexibility allowance using past build rates to provide for non-Transport & Storage sectors. Given that the 4.4 ha is already within the gross needs calculation, we have deducted the 2.78 ha which relates to growth of the Transport & Storage sector as this is already accounted for by the 11.7 hectares total under the CE forecast.*”

- 17 We disagree with this point on a number of levels. Firstly, the 4.4 ha flexibility margin in Table 43 relates to all B8 needs, not just for the Transport and Logistics sector. Secondly, the CE adjustment and the margin of choice are attempting to address different issues. The CE adjustment is made on the basis that (referring back to the 2022 EDNA) *“under the assumptions of the CE forecast more modest levels of total employment growth, consistent with sustaining the total proportion of jobs in the Transport & Storage sector and the concentration of employment relative to the region, could be sustained by continuing past trends in the delivery of land excluding atypical schemes”* [2022 EDNA, paragraph 10.65]. Clearly, the Experian requirement of 2.7 ha for B8 logistics over 21 years is inadequate to meet needs and it is appropriate to depart from this figure, but the added realism applied to the forecast by CE is different to the margin of choice which is trying to provide additional flexibility *“ensuring a sufficient quantum and range of sites are available to support business growth and inward investment opportunities”* [EDNA 2024, paragraph 6.18].
- 18 Adding the adjustments set out above increases the B8 needs to **31.7 ha** (an increase of 9.4 ha from the 22.3 ha in the Growth Scenario, including 6.1 ha of additional flexibility) and the overall requirement to **69.0 ha** for the period 2020-2041, which SPRU considers to be South Staffordshire’s identified need for employment land.
- 19 SPRU then makes further adjustments to reflect the relationship between the WMI and the Updated Growth Scenario, and to take into account recent completions between 2020 and 2023. This moves the base date from 2020 to 2023, with 10.4 ha deducted due to completions between 2020/21 to 2022/23. Of this, 3.4 ha relates to B8. The total residual gross employment land needs between 2023 and 2041 is therefore **58.6 ha** (69.0 ha-10.4 ha);
- 20 Of this, some 10.0 ha is considered to be provided for in the WMI development, which is deducted to come to a figure of **48.6 ha** (and 18.3 ha for B8). For reasons that are not entirely clear in the report, this is adjusted to **48.5 ha overall**, and 18.1 ha for B8, in Table 51;
- 21 SPRU then adds a further **13.9 ha** to this figure (split 1.8 ha for B1 and 6 ha each for B2 and B8) to represent an additional vacancy and past take-up margin. This equates to 17% of the total strategic site pipeline of 81.7 ha (with the percentage based on the difference between the LEP-based growth scenario, 34.1 ha, and the 41.1 ha strategic site need using the combined Growth Scenario and Past trend Equivalent).
- 22 Adding the labour demand needs (48 ha) to the 13.9 ha margin results in a total gross OAN including vacancy and take-up margin (excluding the WMI) of **62.4 ha**.
- 2.9 We disagree that the highly complex approach taken to defining the 62.4 ha employment land OAN (excluding WMI), which involves making adjustments from a range of different scenarios, is sound. Richborough’s main concerns are summarised below.

## 2. Margin of Choice / Flexibility

- 2.10 In its Labour Demand Modelling Assumptions (Section 6.0), the 2024 EDNA converts the net requirements generated by the econometric modelling into gross development needs. It states that this is done by accounting for the quantum of losses of existing stock which is

expected to be lost over the forecasting period. It then adds a margin of flexibility to allow greater choice to support changing business needs.

- 2.11 Whilst we fully support the principles behind these adjustments, we are concerned that the scale of the adjustment is insufficient, whilst other allowances that are typically included within the recommended employment requirements are excluded.
- 2.12 The 2024 EDNA states that it has added a margin of flexibility to the econometric forecasts to allow greater flexibility to support changing business needs and to allow for any delays in sites coming forwards; provide a choice of sites; and allow for a potential margin of error in the forecasting process. SPRU has calculated the margin of flexibility based on 5-years' worth of completions, equal to 2.2 ha of office land and 14.1 ha of industrial / warehousing land (**16.3 ha** in total).
- 2.13 We agree that 5 years' worth of completion is an appropriate margin in this particular instance. However, the EDNA states that the margin applied in this instance is based on "*average net completions (2012/13-2022/23) (excluding atypical sites)*".
- 2.14 From the additional detail provided in the 2022 EDNA, we understand that excluding atypical sites refers to the exclusion of the JLR facility at i54 together with the large-scale Amazon and Gestamp strategic distribution premises at Bericote Four Ashes.
- 2.15 In paragraph 6.18 of the 2024 EDNA SPRU partially justifies the use of a margin of flexibility on the grounds that a high level of flexibility is required "*ensuring a sufficient quantum and range of sites are available to support business growth and inward investment opportunities. Such an allowance at least in part enables flexibility in provision to accommodate needs not anticipated in the plan period, as noted at Paragraph 86(d) of the NPPF 2023*".
- 2.16 If part of the logic of providing a margin of flexibility is to enable the Council to respond flexibly to unforeseeable inward investment opportunities, then it should not exclude past take-up contributions from inward investment opportunities in recent years from JLR, Amazon and Gestamp.
- 2.17 Paragraph 6.21 of the 2022 EDNA indicated that the three large-scale units completed at Four Ashes and i54, which have been stripped out of the calculation of the margin of flexibility, totalled 275,876 sqm, or 69 ha (applying a plot ratio of 40%). **This is over 4 times the total level of flexibility** that the 2024 EDNA factors into the industrial / warehousing calculation, which calls into question whether the margin is sufficiently large to accommodate large-scale inward investment opportunities should the need arise.
- 2.18 The fact that only 4.4 ha of the total 16.3 ha margin equates to B8 provision (Table 29), despite this being the main driving force for development in recent years, points to the underlying problems of SPRU's approach.
- 2.19 SPRU's approach risks suppressing demand as a consequence.

### 3. Loss Replacement

- 2.20 The EDNA rightly converts the net floorspace requirements to gross through the application of what SPRU considers to be a suitable level of loss replacement.

- 2.21 The 2024 EDNA has changed the approach followed in the 2022 EDNA, which simply projected forward losses since 2011 at a rate of just 0.55 ha per annum. The new approach accounts for the quantum of losses of existing stock which are expected to be lost over the forecasting period. This reflects the annual average for current details for committed losses (applied over three years) and multiplied across the total remaining 2023-2041 period.
- 2.22 SPRU considers that:  
*“this is a conservative position in response to the current position for committed losses, which exceeds the past annual average over 2010-2023 or more recent five year average 2019-2023 where the years 2020/21, 2021/22 and 2022/23 reflect a very limited loss of stock. Basing this allowance on current committed losses more closely reflects that replacement provision would offset the latest evidence where industrial and storage uses comprise the majority of floorspace where future losses might be anticipated”* [page 51].
- 2.23 The actual calculation is summarized in paragraph 6.10:  
*“The annual average committed losses is 4,465 sqm per annum (13,394sqm in total). Assuming this level of losses continues over the remaining plan period would mean that a further **48,218 sqm** of E(g)/B Class employment land will be lost in South Staffordshire. Basing this allowance on current committed losses more closely reflects that replacement provision would offset the latest evidence where industrial and storage uses comprise the majority of floorspace where future losses might be anticipated”* [paragraph 6.10].
- 2.24 Table 27 then converts the 48,218 sqm into land by applying a plot ratio of 40%, and, based on 100% loss replacement over the 18-year plan period 2023-41 concludes that there is a need to provide an additional **12.1 ha** to convert the net figures to gross.
- 2.25 We have two main criticisms of this approach. The first is that the calculation appears to be founded on an error. The 2024 EDNA notes that the annual average of committed losses in 4,465 sqm per annum which, over three years, is 13,394 sqm. However, SPRU has taken the 13,394 sqm figure and divided it by five years, not three, to come to 2,679 sqm, which it has then multiplied by 18 years (the plan period 2023-41) to come to a loss replacement figure of 48,218 sqm, or 12.1 ha.
- 2.26 **SPRU should have multiplied the 4,465 sqm annual figure by 18 years, to come to 80,370 sqm, or 20.09 ha – some 8 ha greater than the figure in Table 27. The erroneous 12.1 ha figure is included in the calculations throughout the remainder of the EDNA, which means that the overall gross requirement should be at least 8 ha higher.**
- 2.27 Secondly, even if the 2,679 sqm annual replacement figure was accurate, this is a low level of replacement given the size of the District. According to the VOA’s latest Commercial and Industrial Business Floorspace Statistics for 2023, South Staffordshire District has 44,000 sqm of office floorspace and 825,000 sqm of industrial/warehousing floorspace, i.e. 869,000 sqm of business floorspace in total. 2,679 sqm per annum is therefore a very low level of replacement, at just 0.31% annually. To put it another way, if 2,679 sqm were replaced annually, then it would take 324 years for the District’s entire stock of floorspace to be replaced.



2.28 It is likely that replacement rates will accelerate substantially in the years to come, not least because of the new Energy Performance Certificate [EPC] requirements for commercial property which are becoming more stringent in line with Government policy. It is probable that large sectors of the market supply will become unfit for purpose and be made redundant, which is particularly true of the current Grade C (or lower) stock in South Staffordshire.

2.29 As a consequence, it is probable that a significant proportion of existing business stock in South Staffordshire is likely to become redundant in the years to come and will need replacing at levels above current trends. A failure to adequately replace employment land lost to alternative uses could result in the local economy shrinking.

#### 4. Completions Trend

2.30 We have a number of concerns with how the completions trend scenario has been calculated and features in the EDNA:

- The past take-up scenario set out in Section 6.0 of the EDNA simply projects forward two broad scenarios. One takes the average (mean) annual industrial/office completions (excluding losses) between 2018/19-2022/23 and projects these forward; the other takes the equivalent median figures over a longer time period (2012/13-2022/23). The resultant figures are 148.0 ha based on the mean completions (53.1 ha excluding 'atypical schemes', notably Amazon/Gestamp at Four Ashes), and 105.7 ha using median completions (105 ha for strategic and 11 ha for non-strategic). These are both well below the 241.1 ha completion trend scenario set out in the 2022 EDNA, which was based on data from 2012/13 to 2019/20.
- SPRU concludes that the Median trends are potentially more appropriate for comparing future growth in land and floorspace with past trends across the total supply pipeline and would still reflect a strong rate of growth relative to a longer-term index.
- **It is unclear why the time period for the Median and Mean scenarios are different**, and why it would be appropriate to assess past completions over a 5-year period under the Mean scenario which essentially covers the entirety of the Covid-19 pandemic, but none of the boom years before it.
- **Furthermore, whilst there is some logic to stripping out truly abnormal developments, these merely reflect the scale of market demand for strategic scale industrial and warehousing uses in South Staffordshire District.** As a result, they form the bulk of delivery since 2012 and 2019, and therefore to strip these out risks under-playing the true need for strategic B8 in the District. As noted in the 2022 EDNA iteration:

*“In total between 2012 and 2019, 28% of industrial completions in South Staffordshire were delivered at the Gestamp/Amazon development at Four Ashes Strategic Employment Site (totalling 101,305 sqm) and 48.4% of industrial completions were delivered at the JLR site at i54 Business Park (totalling 174,571 sqm). Together, these two sites account for over three quarters (76%) of South Staffordshire’s industrial floorspace completions between 2012 and 2019. These are primarily larger size units of over 20,000 sqm.” [EDNA 2022, paragraph 6.17]*

- There is also the inconsistency of a pro-growth econometric projection, which seeks to factor in strategic logistics needs but does so by using take-up data that explicitly deducts JLR, Amazon and Gestamp. As a result, the strategic take up which informs the contribution of strategic logistics sites in South Staffordshire is founded on a past completions trend that totals just 0.2 ha for B8 (see Table 86 of the 2022 EDNA).
- Furthermore, the impact of these strategic developments clearly influences the other econometric demand scenarios, as is articulated in paragraph 10.59 of the 2022 EDNA. Therefore, the econometric growth scenarios are at least partly based on past trends and are likely to reflect the strong presence of logistics firms in the District resulting from the Amazon and Gestamp developments [see commentary in paragraph 12.4 of the previous 2022 EDNA].
- The past completion scenarios are essentially discarded from the modelling in favour of the adjusted labour demand Growth Scenario. Therefore, the total gross OAN is identified (in Table 51) as being 62.4 ha, of which 56.2 ha relates to industrial/B8 land, whereas the industrial/B8 land requirement (including strategic adjustments) based on the past completions would range from 99 ha (Median) to 164 ha (Mean) (see Table 36). Whilst the Mean figure in particular would no doubt include a substantial element of 'bigger than local' strategic B2 and B8 unmet needs from elsewhere in the FEMA, this would neatly avoid the complex set of calculations employed by SPRU later in the EDNA to justify the District's contribution towards strategic logistics needs.
- Indeed, there are examples elsewhere in the West Midlands whereby SPRU has included seemingly atypical or one-off industrial / warehousing developments in the take-up calculations<sup>1</sup>.
- Finally, it is standard practice for EDNAs to **apply a margin of choice to the past take-up scenario just as they do to econometric modelling scenarios** and numerous examples can be provided to this effect.<sup>2</sup> If this approach had been followed in the 2024 South Staffordshire EDNA, and assuming a 5-year margin, then the Median (Hybrid) scenario would have increased from 116 ha to 148.2 ha whilst the Mean scenario would have increased from 175 ha to 223.6 ha in Table 36.

## 5. The Growth Scenario is not aspirational enough

2.31 The EDNA 2024 uses the same economic forecasts that were obtained to inform the preparation of the EDNA 2022, extending the forecast period to 2024. This is on the grounds that:

*“the relatively positive outlook generated through preparation of the Growth Scenario within the EDNA 2022 reflected assumptions for a post-Covid bounce and limited evidence of adverse prospects for growth by sector arising from Brexit-related effects. Analysis of the economic baseline considered within the EDNA Update indicates that for the district itself these assumptions remain relatively robust, reflected in positive indicators for growth in output and employment”* [paragraph 5.2].

<sup>1</sup> SPRU's *Telford Economic and Housing Development Needs Assessment*, undertaken in October 2020

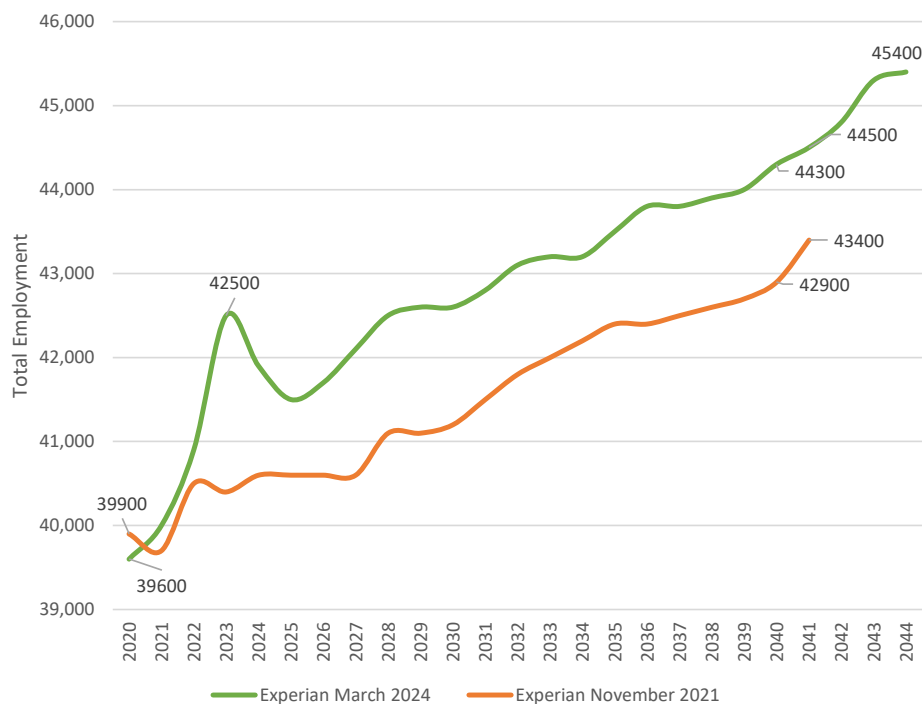
<sup>2</sup> To take just one example, the *Publication Places for Everyone Plan* (August 2021) bases its employment land requirements for the 9 Greater Manchester districts upon evidence provided by Nicol Economics' *Updated Note on Employment Land needs in Greater Manchester* (March 2021), which calculates an overall requirement of 3.33 million sqm of industrial / warehousing floorspace based on projecting forward weighted past completions with a 5-year margin of choice

2.32 SPRU therefore retains the CE and Experian projections from the 2022 EDNA, both of which were produced in **November 2021**. The modelling indicates a net growth of 5,176 (2020-2041) for CE, and +3,500 for Experian (upon which the Growth Scenario is founded).

2.33 We made a number of criticisms of how the EDNA manipulated the baseline scenarios to come to a preferred Growth Forecast in Richborough’s previous 2022 PP representations and many of these points hold true. However, it is important to mention at this point that in Richborough’s view, the latest forecasting data from CE and Experian should have been obtained. Lichfields purchased the latest March 2024 Experian forecasts for South Staffordshire District and the figures are illuminating.

2.34 **As illustrated in Figure 2.1, the updated Experian projections suggest that instead of a net employment growth of 3,500 between 2020 and 2041 as per the EDNA 2024, this will increase to 4,900, an uplift of 40%.**

Figure 2.1 Experian Employment Growth for South Staffordshire District



Source: Experian November 2021 / March 2024

2.35 Some of the key industries associated with the EDNA’s employment land sectors are also forecast to experience a large uplift in growth. The Transport & Storage sector, for example, which is closely associated with B8 logistics, was previously forecast to experience a net growth of only 100 jobs between 2020 and 2040 in the 2022 EDNA. The latest projections increase this to 700 net jobs, a 7-fold increase.

2.36 Similarly, the projections are markedly lower than previous levels of growth that have been experienced in the District over the past decade or so. The 2022 EDNA pointed out in Table 32 that depending on the model used, the level of job growth ranged from between 1.6% and 2.8% per annum (based on Compound Annual Growth Rates [CAGR]) over the period 2011 to 2020; however, even under the most optimistic future forecast in the 2024 EDNA,

the CAGR is only +0.56% (CE) whilst even the Experian-based Growth Scenario has an increase of 0.6%. This latter figure is well below Experian’s observed rate of growth in the District between 2011 and 2020, at an impressive 2.1%.

Table 2.1 Historic and Future Job Growth

	2011-2020		2020-2041	
	Job Growth	CAGR	Job Growth	CAGR
CE	5,740	1.6%	+5,176	0.56%
Experian	7,000	2.1%	+3,500	0.40%
<b>Experian-based Growth Scenario</b>	<b>n/a</b>	<b>n/a</b>	<b>+5,326</b>	<b>0.60%</b>

Source: EDNA 2022, Table 32 / EDNA 2024, Table 19 / Lichfields’ Analysis

- 2.37 Therefore, whilst we fully agree with SPRU’s decision to model a Growth Scenario that seeks to address some of these issues and to align with the six Key Sectors set out in the LEP’s Strategic Economic Plan (2018), plus the Logistics and Transportation Sector, we do not consider that the approach taken to derive this forecast is sufficiently robust, and as a consequence, it downplays the District’s growth potential.
- 2.38 In particular, SPRU makes a modest adjustment to the Transport & Storage sector, uplifting the +100 figure in the Experian model to +926. We fully agree that an uplift is necessary to this sector, but we consider that the method by which it has been calculated underplays its future significance. This is only marginally above the +700 unadjusted job growth in the sector in the latest Experian forecasts in any case.
- 2.39 The methodology SPRU used for this calculation is summarised in pages 119-121 of the 2022 EDNA and is essentially retained in the 2024 version (with the modelling extended by one year to 2041, resulting in an increase of 44 jobs). It states that the LIS evidence base indicates strong growth in a number of specific industry sub-sectors comprising an important component of the logistics sector across the LEP area.
- 2.40 The approach SPRU follows to calculate the uplift in logistics jobs ultimately suppresses the likely growth as follows:
- The EDNA initially compares past growth rates across five detailed sub-sectors of Logistics and Transport and records that, based on BRES data between 2009 and 2020, they collectively grew by 835 jobs, or 76 per annum, across the District. This is correct and works out at a very high CAGR of 8.396%.
  - SPRU then analyses the LEP-wide growth rate over this time period and applies the resultant sub-regional growth rate (which is lower than the District figure, at 5.57% CAGR), to the 2009 District figure to work out what the growth would have been, had South Staffordshire grown at a similar rate to the LEP between 2009 and 2020. This comes to 477 net jobs growth, or 43 per annum between 2009 and 2020 (based on Richborough’s calculations – SPRU derives a very similar number at 44 p.a.).
  - The EDNA then multiplies the 44 p.a. figure by 20 years (+880) and adds this to the District 2020 figure for logistics (of 1,062) to come to a 2040 figure of 1,942 jobs. This net growth, of +880, is higher than the Experian figure of +100.
- 2.41 Whilst the principle of accelerating the growth of logistics sector jobs above the Experian net figure is a sound one, we disagree with SPRU’s methodology.

2.42 For example, we would not apply the LEP-wide CAGR growth rate to the 2009 District figure and trend this forward. This is lower than the actual number of jobs that came forward in the District over that time period. Similarly, we disagree that SPRU should apply an absolute figure of 44 jobs per annum, rather than the CAGR rate to the 2020 starting point. By applying the 44 jobs on an annual basis, its impact diminishes over time as it gradually forms a smaller proportion of the overall workforce. A more appropriate and straightforward approach would be to either apply the LEP-wide CAGR or the District-wide CAGR of past growth in the sector, to the 2021 Experian job figure for Logistics and Transport. This would increase employment in this sector very substantially, with a knock-on effect on the employment land requirement.

## 6. Logistics is Under-Represented in the Modelling

2.43 The Council's employment land evidence base does not fully address the needs of strategic logistics and as such there is a risk that it is underplaying the need for industrial and warehousing sites significantly. There is a wealth of evidence, including in the EDNA itself, demonstrating that there has been a step change in demand for 'big box' logistics in recent years, which has been exacerbated by the recent pandemic. However, the needs of strategic B8 are not fully allowed for in the modelling work.

2.44 Logistics is a fast-moving sector and one that has seen an unprecedented level of change and growth over the past three years or so. Whilst this has essentially been an expedited continuation of past trends, it has been accelerated by essential requirements of the pandemic and associated national lockdowns, Brexit and the rapid acceleration of the trend for e-commerce.

2.45 Similarly, research indicates that there has been a resurgence in occupier interest in the West Midlands, which has resulted in only 0.94 years' worth of supply in the region:  
*"Following on from the sharp uptick in the available supply at the start of 2023, supply levels have remained stable. There are currently 27 units available over 100,000 sq ft, which total 6.04m sq ft. There are no units over 450,000 sq ft available in the region".*

2.46 It is therefore highly likely that the currently proposed logistics requirements underestimate the latest market activity and economic developments and create the risk of compromising economic growth across the area. In any case, these requirements relate to local, indigenous requirements for small businesses operating in the logistics sector within the District and do not fully reflect the strategic requirements that are identified across the FEMA – this is discussed further below.

2.47 A significant trend that has been driving change in the logistics industry is the rising role of e-commerce and the associated consumer expectations for flexibility. As well as increasing the number of deliveries, consumers also increasingly expect flexible delivery options, 'click and collect' services, and specific delivery times. This generates more demand for the logistics industry and it will continue to grow as consumer behaviour increasingly moves online, with 72.5% of the UK's population comprising eShoppers – the highest proportion of any comparable country in Europe<sup>4</sup>.

<sup>3</sup> See Savills 'The logistics market in the West Midlands' January 2024 (Available at: [www.savills.co.uk/research\\_articles/229130/355811-0](http://www.savills.co.uk/research_articles/229130/355811-0))

<sup>4</sup> Centre for Retail Research Total Online Retail Sales 2018-2019 <https://www.retailresearch.org/online-retail.html>

2.48 The demand for logistics in the area is significant, and the Council must ensure that an adequate supply of suitable sites for strategic distribution is identified through the preparation of the Local Plan, in order to capitalise on market conditions and maintain strong levels of economic growth throughout the plan period.

2.49 **However, the EDNA downplays the need for strategic B8 logistics. The growth scenario underpinning the OAN of 62.4 ha (excluding WMI) identifies a need for just 24.2 ha of B8 logistics. According to Table 17 of the 2024 EDNA, between 2012/13-2022/23 South Staffordshire District saw take-up of B8 logistics (including Amazon and Gestamp) averaging 38,840 sqm per annum (excluding losses), or around 9.71 ha based on a 40% plot ratio. This would mean that the proposed 24.2 ha target would last around 2.5 years. Even using the total gross OAN including the WMI apportionment and additional WMI jobs in accordance with the DCO, the uplifted B8 OAN of 43.0 ha would only last 4.4 years.**

2.50 This is likely to be because the EDNA modelling is essentially founded on an Experian scenario which forecasts very weak growth in transport and logistics and has not been uplifted sufficiently by SPRU for its Growth Scenario. This does not seem sufficient given recent strategic developments in South Staffordshire.

2.51 SPRU notes in paragraph 10.18 of the 2022 EDNA that the District has shown strong employment growth in the transport and storage sectors to 2020. If that is the case, it is difficult to understand how the net growth can be so weak in the forecasts.

## 7. Role of the West Midlands Interchange

2.52 Section 8.0 of the EDNA examines the relationship between the WMI and future economic growth scenarios. It accepts that the development of the SFRI proposals within South Staffordshire helps to meet needs that have arisen across a wider area (principally Birmingham and the Black Country).

2.53 This is a complex point which we examined in detail in Richborough's 2022 PP representations (Appendix 3). Whilst we do not repeat the analysis in its entirety here, Richborough's key points remain relevant to the 2024 EDNA and are summarised below.

2.54 In particular, it is important to note that the *West Midlands SFRI Employment Issues Response Paper*, produced by Stantec in February 2021, identifies a robust 'minimum share' of the SRFI site that would go some way towards meeting the Black Country needs. The report also helpfully breaks this need down by individual district, including South Staffordshire.

2.55 Table 5 of the SFRI Report suggests that the BCA's share of the overall SRFI land area is 72 ha or 37% of the total. **More specifically, it indicated that South Staffordshire's total land share of the 193 ha WMI is just 5 ha. This is essentially suggesting that only 5 ha of the WMI is going towards meeting the needs of South Staffordshire's growing population:**

*"In total this suggests that of the 193 ha of developable strategic warehousing land 72 ha could reasonably be assumed to meeting the needs of the growing Black County (and South Staffordshire) population within the service area. So, given the huge uncertainties*



*in the data roughly 40% of the SRFI floorspace will support the economic needs for large warehousing arising from the Black Country (and South Staffordshire).*” [paragraph 4.1.6]

- 2.56 However, SPRU’s approach uses econometric modelling to explicitly define South Staffordshire’s share of the WMI land in isolation with no consideration of other areas, which is against the approach that Stantec suggests should be followed.
- 2.57 In addition, the manner in which the 18.8 ha contribution that the WMI makes to South Staffordshire’s requirement is calculated is opaque and difficult to replicate.
- 2.58 The previous analysis in Richborough’s 2022 PP representations concluded that if just one logical tweak is made to SPRU’s assumptions by, say, applying a percentage annual growth rate rather than arbitrarily applying a fixed number of jobs, then the EDNA’s justification for no additional strategic allocations falls away.
- 2.59 Richborough’s view is that the EDNA’s conclusion that 18.8 ha of WMI would contribute towards the District’s supply of employment land to meet the projected demand is unnecessary, given that the subject has already been analysed in depth on a consistent basis across the wider region<sup>5</sup>. This found that the contribution the WMI made to South Staffordshire’s future logistics needs was 5 ha.

## **8. Conflating Growth with Meeting Strategic Needs**

- 2.60 The EDNA applies a number of complex methodological adjustments to justify both the relationship of the WMI to Land Requirements for the Transport & Storage sector, and secondly to measure the supply / demand balance on Strategic sites.
- 2.61 Taking the former adjustment first, the EDNA states that the Experian-based Growth scenario forms a reasonable basis to identify the proportion of land within the WMI that can be attributed to requirements for economic development in South Staffordshire based on labour demand scenarios. We have already set out above that the EDNA is not transparent as to how the 18.8 ha has been calculated based on the likely jobs.
- 2.62 Setting this to one side, we question whether the adjustments within the Growth Scenario really capture the same sub-regional indicators of demand that the WMI proposals will seek to satisfy as a result of the development of new distribution floorspace as the EDNA suggests, or whether the upwards adjustment (from an implausible Experian baseline of +100, or 5 jobs a year) to the Transport & Storage sector just reflects more realistic growth that is likely to comprise a sizeable portion of indigenous need.
- 2.63 We consider that the EDNA’s adjusted 27.6 ha unmet need contribution from the current supply is unfounded. The calculation is based on past trends completions that do not include ‘true’ strategic take up from JLR, Amazon and Gestamp. Mixing and matching the various scenarios, combining the CE/Experian/Growth Scenarios and factoring in the past take up as well ensures that SPRU is not comparing like with like and in all probability results in a considerable amount of double counting.

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<sup>5</sup> Stantec (February 2021): West Midlands Strategic Rail Freight Interchange Employment Issues Response Paper – Whose need will the SRFI serve?

- 2.64 Furthermore, and as set out in Richborough's previous representations on the 2022 iteration, we also disagree with the EDNA's estimation that 1,240 Transport and Storage sector jobs equate to 18.8 ha of B8 (essentially the amount of the WMI that will contribute to South Staffordshire's employment land supply, inclusive of 8.8 ha not currently captured by forecast labour demand). This should be 24.8 ha (or 22.3 ha if the jobs are translated to FTEs) based on an employment density of 80 sqm.
- 2.65 Perhaps most fundamentally of all, it does not actually seek to model the strategic employment land needs of the FEMA as a whole and then attempt to justify South Staffordshire's contribution (factoring in the physical ability of the other districts to accommodate the remainder of that need). That should be the remit of a wider strategic study.

## 9. FEMA

- 2.66 As with the 2022 EDNA, the first 7 Chapters of the 2024 EDNA undertake an assessment of employment land requirements for South Staffordshire over the Plan period 2020 to 2041. Based on the Growth Scenario econometric forecast, this generates a need for 59.6 ha of office, industrial and warehousing land over the next 21 years. Whilst we disagree with certain elements of the calculation as set out above, there is at least a logical process as to how this has been defined in common with many other EDNAs undertaken across the country.
- 2.67 However, Sections 8-10 of the report depart from this approach and undertake a non-PPG compliant assessment of (firstly) the proportion of the WMI which could be considered to be meeting South Staffordshire's employment land needs and (secondly) what proportion may be considered as contributing towards the unmet needs of neighbouring authorities and subsequent policy recommendations.
- 2.68 The EDNA concludes that **27.6 ha** comprises a reasonable minimum indicator of supply that is not attributed to findings of the Growth Scenario or trends in past take-up (discounting the role of significant atypical schemes such as the investment by JLR), that can theoretically contribute to meeting the unmet needs of neighbouring authorities, excluding the WMI.
- 2.69 This is taken forward by the Council in the 2024 PP, which states that the District can contribute a total of 45.2 ha surplus strategic employment land to help meet strategic cross-boundary unmet needs from the BCAs (circa 153 ha shortfall), subject to agreement through a Statement of Common ground [paragraph 5.58]. A footnote to this point states that the 45.2 ha comprises 27.6ha (identified as surplus in the EDNA update) + 17.6 ha (M6 Junction 13, Dunston).
- 2.70 We disagree with the mechanics of the EDNA's complex calculations. We do not consider that based on this evidence, the Council is making a proportionate contribution to the unmet needs in the BCAs and beyond.
- 2.71 **On basic principles, the EDNA cannot conclude that it is making a reasonable contribution to the unmet needs of neighbouring authorities when it has not defined the scale of unmet strategic needs in the first place.**



2.72 This point was raised in Richborough’s previous representations to the 2022 PP. In response, the 2024 EDNA states on page 18 that:

*“As set out in the Black Country EDNA (2022), South Staffordshire is not considered to form part of the Black Country FEMA (although strong economic links are identified). It is therefore not considered necessary for the South Staffordshire EDNA to model the strategic employment land needs across the FEMA as a whole”* [EDNA 2024, page 18].

2.73 This statement conflicts with SPRU’s analysis in Chapter 3, ‘Reconfirming the FEMA’, which concludes that:

*“On the basis of the analysis presented in the previous EDNA 2022, the ‘best fit’ FEMA for South Staffordshire comprises **South Staffordshire, Wolverhampton, Dudley, Walsall, Cannock Chase and Stafford**”* [EDNA 2024, page 24].

2.74 Therefore, SPRU clearly considers that South Staffordshire’s FEMA includes three of the four BCAs.

2.75 In this regard, there is ample evidence to suggest that the scale of unmet needs across the neighbouring authorities is very significant indeed, with a shortfall of at least 153 ha in the BCAs alone as acknowledged in the emerging 2024 PP. Furthermore, the scale and opportunities of the logistics market mean that logistics needs extend across an even wider area beyond South Staffordshire’s immediate FEMA.

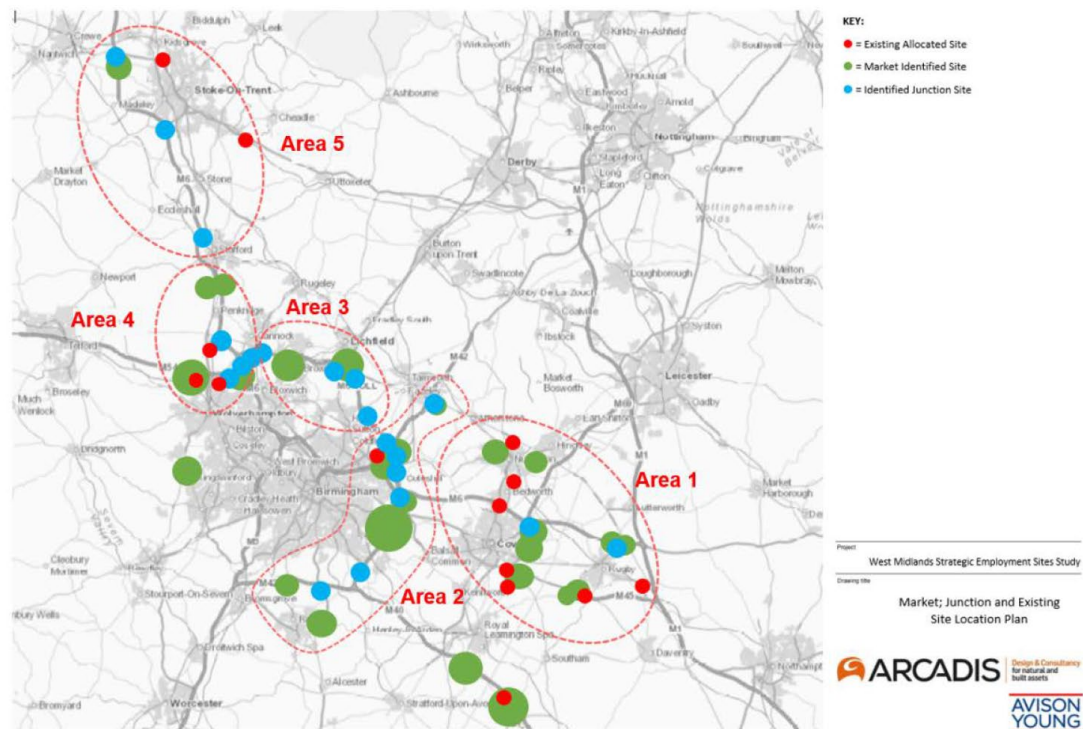
## **10. Unmet Needs across the wider West Midlands region**

2.76 A number of studies in recent years have attempted to analyse the pressures that the West Midlands region is coming under relating to the need for new strategic logistics sites in the face of unprecedented demand. The most recent of these studies, WMSESS was published in May 2021. This analysed take-up rates in the industrial and office markets in the region over the period 2015-2018 and undertook an audit of existing allocated and committed sites in the Study Area.

2.77 The report identifies five key clusters of sites and considers that the focus for identifying strategic employment sites should be in the ‘Key Locations’ shown below.

2.78 Richborough’s Land at Gailey Lea Farm site is located in Area 4 in Figure 2.2:

Figure 2.2: Junction and Existing Site Location Plan



Source: Avison Young /Arcadis (May 2021): West Midlands Strategic Employment Sites Study – Final Report

2.79 The WMSESS found that the strategic supply of allocated and committed sites comprised of only 12 sites with a remaining capacity of 25+ ha, plus the WMI at M6 J12 with a potential capacity of circa 2.96 million sqm. Given uncertainties regarding the length of time that some of the sites have been allocated without coming forward, and the capacity of the sites is gross rather than net, the estimated capacity should for the purpose of this Study be treated as a maximum.

2.80 The WMSESS reports that there has been an average take-up of new, Grade A floorspace in the West Midlands area of approximately 0.4 million sqm p.a. over the period 2015-2018 inclusive. Based on evidence of past trends in relation to take-up, and assuming that no additional strategic employment sites are brought forward to replace those that remain, the resultant supply of allocated and committed employment land would appear to represent a maximum of **7.41 years supply**. For the BCAs and South Staffordshire ‘key location’, this increases slightly, to **8.17 years**.

2.81 The report concludes that on the basis of the ‘past trends’ approach, there is a limited supply of available, allocated and/or committed sites across the Study Area that meet the definition of ‘strategic employment sites’, and an urgent need for additional sites to be brought forward to provide a deliverable pipeline, noting the very substantial lead-in times for promoting and bringing forward such sites.

2.82 As can be seen in Table 2.2, **Area 4 has just 3.23 years’ supply** based on 323 ha of allocated sites, rising to 8.17 years’ supply if the 494 ha of industry-promoted sites are all incorporated.

Table 2.2 Existing and Potential Supply in Key Locations (Source: Avison Young 2019)

	Area 1	Area 2	Area 3	Area 4	Area 5	Years Supply	Outside 5 Clusters
Allocated Sites	71 ha	264 ha	-	323 ha	83 ha		100 ha
Years Supply	<b>0.71</b>	<b>2.64</b>	-	<b>3.23</b>	<b>0.83</b>	<b>7.41</b>	<b>1</b>
Industry Promoted Sites	905 ha	448 ha	152 ha	494 ha	70 ha		301 ha
Years Supply	<b>9.05</b>	<b>4.48</b>	<b>1.52</b>	<b>4.94</b>	<b>0.7</b>	<b>20.69</b>	<b>3</b>
TOTAL	976 ha	712 ha	152 ha	817 ha	153 ha		401 ha
<b>TOTAL YEARS SUPPLY</b>	<b>9.76</b>	<b>7.12</b>	<b>1.52</b>	<b>8.17</b>	<b>1.53</b>	<b>28.1</b>	

Source: Avison Young /Arcadis (May 2021): West Midlands Strategic Employment Sites Study – Final Report

2.83 **The analysis ultimately underlines the urgent need to identify a pipeline of new Strategic Employment Sites to meet needs beyond the 7.41 years (or less) of supply that exists in allocations and committed sites.**

### Summary

2.84 The fact that South Staffordshire District Council has commissioned up-to-date evidence on employment land needs is very much welcomed, as is the relatively positive commentary in that document regarding the need to boost delivery in the face of suppressed supply historically.

2.85 However, we consider that the gross residual OAN of 62.4 ha for the period 2023-2041, increasing to 72.4 ha inclusive of the WMI apportionment, is inadequate to address the pent-up demand and risks suppressing the District's economy for years to come. Furthermore, we disagree that the provision of 27.6 ha and the WMI represents a 'proportionate' contribution to meeting wider unmet needs across the FEMA.

2.86 The calculation is highly complex and relies on mixing and matching projections. We have concerns regarding the robustness of the EDNA's employment land calculations and consider that a more aspirational approach ought to have been progressed.

2.87 In particular, there are inconsistencies/errors in the modelling and clear omissions in the modelling that could increase the overall requirement significantly:

- For example, the loss replacement of 12.1 ha is based on a miscalculation of the annual average of committed losses, which, if corrected, would increase the adjustment by around 8ha (to 20.1 ha). Even if the 2,679 sqm annual replacement figure was accurate, this is a low level of replacement given the size of the District. At this rate, it would take 324 years for the District's entire floorspace stock to be replaced.
- The Completions Trend scenarios significantly underplay the true scale of need by excluding a margin of choice and the substantial levels of strategic sites that have come forward in recent years;
- Logistics is under-represented in the modelling and the forecasting does not reflect the substantial recent growth in the sector in recent years nor the market intelligence which points to identified shortfalls in available industrial floorspace in South Staffordshire of all sizes and unprecedented demand for large logistics in this prime location;

- The Growth Scenario is not aspirational enough and should apply a percentage growth rate to the District-level figure. The current approach suppresses logistics needs compared to recent trends;
- The WMI is an important contributor to wider strategic needs but it is not the role of this EDNA to attempt to quantify how much of its land actually contributes to the needs of South Staffordshire District - this has already been calculated on a consistent basis for the wider region. The resultant figure, of 5 ha, is far below the EDNA's 18.8 ha calculation which appears flawed in certain respects;
- SPRU's approach to calculating strategic needs assumes that the Experian-led econometric Growth Forecast factors in all of the strategic requirements when this is simply not the case - the very modest addition of 44 jobs per annum to uplift the Transport & Storage sector growth is inadequate to meet likely future growth needs and should be greater.
- The latest forecasting data from CE and Experian should be obtained and remodelled given the passage of time. The March 2024 Experian projections suggest that instead of a net employment growth of 3,500 between 2020 and 2041 as per the November 2021 forecasts, the District's economy will grow by 4,900 jobs, an uplift of 40%. There is also forecast to be a much stronger growth in the Transport and Storage sector (from +100 to +700), pointing to a net increase in demand for B8 logistics sites.
- The EDNA's identification of 27.6 ha unmet need contribution from the current supply is unfounded. The calculation is at least partly based on past trends completions that do not include 'true' strategic takeup from JLR, Amazon and Gestamp;
- The EDNA does not model the strategic employment land needs of the FEMA as a whole and then attempts to justify South Staffordshire's contribution. That is the remit of a wider strategic study;
- The WMSESS concludes that there is an urgent need to identify a pipeline of new Strategic Employment Sites across the region to meet needs beyond the 7.41 years (or less) of supply that exists in allocations and committed sites. For the BCAs and South Staffordshire 'key location', this increases to 8.17 years. Excluding industry-promoted sites without an allocation, this falls to just 3.23 years for Area 4 which South Staffordshire is located within.

## Local Plan Review Policy

- 2.88 Notwithstanding the above, the Council has acknowledged that the scale of the unmet housing needs across the Greater Birmingham and Black Country Housing Market Area [GBBCHMA] is likely exceeding c.100,000 dwellings up to 2041. Despite Section 15 of the 2024 PP setting out how the Council would monitor the performance of the LPR, the Council does not commit to an LPR within the 2024 PP.
- 2.89 Richborough considers that the Council's current position fails to provide any certainty and would fail to deliver against identified housing and employment needs within the GBBCHMA and FEMA leaving a vacuum in the period post 2031 and up to 2041. The failure to commit to a review of the plan would also be contrary to paragraph 33 of the NPPF which requires a review at "*least once every five years*".

- 2.90 Given the importance of these issues, it is clear that further consideration needs to be given now to increasing development quantum over and above that proposed in the 2024 PP. Furthermore, Richborough considers that consideration should be given to an early review of the Local Plan. Such a position is not unique and has precedence within the HMA area, including for Bromsgrove and Lichfield Councils who both have policies within their current extant Local Plans requiring an early review of the plan.
- 2.91 The primary objective of an early review of the LPR should be to ensure alignment with other Local Plans within the GBBCHMA that are currently in the process of preparation including the BCAs and Birmingham. Equally, a secondary objective would be to respond to any changes within the plan period, such as where the proposed supply has not come forward as envisaged. In either event, an LPR requirement should ensure that the review takes place alongside the confirmation of the quantum of unmet housing and employment needs within the GBBCHMA and FEMA to ensure that the Council plays its role in accommodating these unmet needs under the requirements of the DtC (Para 24, NPPF).
- 2.92 As a result, Richborough considers that the effectiveness of the LPR could be significantly increased through the provision of an additional planning policy to require the plan to be reviewed within 12-24 months of adoption. Importantly, an early review mechanism secured by way of a policy requirement would prove far more effective than the statutory requirement of NPPF paragraph 33.

## Why is the policy unsound?

- 2.93 In this context, Richborough is concerned that Policy DS4 (Development Needs) as it is drafted is unsound. The NPPF is clear that development plans “*must include strategic policies to address each local planning authority’s priorities for the development and use of land in its area*” (Para 17). The NPPF also requires plans to contain strategic policies which should, as a minimum, provide for objectively assessed needs for housing and other uses and those that cannot be met within neighbouring areas (Para 11b). In the context of employment land, the NPPF emphasises the importance “*on the need to support economic growth and productivity*” (Para 85) and is clear that planning policies should “*seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment*” (Para 86c).
- 2.94 As Policy DS4 (Development Needs) is drafted, Richborough does not consider that the Council’s current approach to addressing its own needs, or the unmet needs of the FEMA and wider area is appropriate or justified by robust evidence; as a result, Richborough considers that there is a cogent argument for the Council to accommodate further employment growth within the District, as it is unlikely that this could be accommodated elsewhere within the FEMA and beyond.
- 2.95 It is therefore critical that a FEMA-wide approach to ensuring additional, well-located sites, which are capable of accommodating larger units, are brought forward through the Council’s LPR to help meet demand and deliver high-quality floor space within the FEMA. This is critical in order for the LPR to accord with paragraphs 11b, 24, 35c, 85, 86c and 87 of the NPPF and the guidance within the PPG.

## **Recommended steps to ensure soundness**

- 2.96 Richborough, therefore, recommends that Policy DS4 (Development Needs) be amended to reflect a more realistic assessment of the District's employment land needs over the plan period as well as an increased contribution towards the unmet employment land needs of the BCA and potentially Birmingham. This would ensure that the PP is sound and compliant with paragraphs 11b, 24, 35c, 85, 86c and 87 of the NPPF and the guidance within the PPG. Failing this, as a minimum, the Council should ensure that a review policy is included in the policy to ensure that these needs can be met shortly after the adoption of the LPR.



### 3.0 **Policy DS5 – The Spatial Strategy to 2041**

3.1 Draft Policy DS5 (The Spatial Strategy to 2041) sets out the Council’s proposed spatial strategy to address the plan’s housing requirement for the plan period up to 2041. The 2024 PP notes that the proposed spatial strategy has been revised since the 2022 PP, following changes to the NPPF (Para 5.12); albeit this relates more to strategic housing matters rather than employment. However, as a part of the 2024 PP, the Council has allocated a further employment site for c.17 ha at Junction 13 of the M6. For employment land, Draft Policy DS5 of the 2024 PP notes that:

*“The district’s freestanding strategic employment sites: Outside of the district’s rural settlements, support will continue to be given for employment and economic development at the district’s six freestanding strategic employment sites (West Midlands Interchange, i54 South Staffordshire, Hilton Cross, ROF Featherstone/Brinsford, Four Ashes and M6 Junction 13, Dunston). Existing and proposed employment sites throughout the district will be safeguarded for their respective uses, in accordance with other Local Plan policies.”*

3.2 In terms of delivering this spatial strategy, the policy states that the strategy will be delivered through allocations made in the LPR, which for employment, are set out in draft Policy SA7 (Employment Allocations).

3.3 In the context of the above, Richborough considers that the Council’s proposed approach to delivering employment land growth across the District remains broadly similar to its previous approach proposed within the 2022 PP. In this regard, as the Council will be aware, Richborough has previously provided detailed comments on this matter to the 2022 PP consultation. As such, it remains the case that Richborough has no objections – in principle – to the thrust of the Council’s proposed spatial strategy for employment. It is entirely logical to seek to focus additional employment growth in well-established employment locations, particularly given the success of the i54 South Staffordshire, Hilton Cross, ROF Featherstone/Brinsford and Four Ashes to date.

3.4 However, as Richborough has previously advised the Council, and reiterated above in light of the Council’s latest evidence base, Richborough has legitimate concerns regarding the derivation of the Council’s indigenous employment land needs, which are likely to be an underestimate, and that as a result, the Council is not sufficiently addressing the strategic cross-boundary matter of unmet employment land needs as purported in the 2024 PP. Richborough remains of the view that it is clear that additional employment sites will be required to meet the additional need for employment land within the District.

3.5 In this regard, despite seeking to engage with the Council and furnishing the Council with sufficient information to support the allocation of Richborough’s Site (Site Ref: E58a and E58b) for employment development, the Council has not allocated the Site for employment development within the 2024 PP. In particular, whilst Richborough welcomed the Council’s pragmatism in considering the Site through the LPR supporting evidence base further to Richborough’s responses to the PO representations, Richborough is disappointed to see that its comments to the 2022 PP consultation in relation to the Council’s erroneous assessment of the Site through the evidence base have been disregarded.

- 3.6 Indeed, the Site has been assessed again through the 2024 ESES Topic Paper, and despite Richborough’s previous comments on the assessment of the Site, the Site has again been discounted. Notably, fundamentally, the assessments of the Site in the 2022 ESES Topic Paper and 2024 ESES Topic are identical, save for the inclusion of a comment about the site being in the Green Belt and the Council having the choice whether to release land or not and the allocation of Junction 13:

*“Site performs relatively well from a market perspective, having a clear advantage for distribution/logistics of being close to the M6 (J12) and the West Midland Interchange proposal. However, some initial concerns have been expressed by Staffordshire County Council highways team regarding cumulative impacts on the surrounding network and sustainable travel access. Major negative effects are also predicted in the Sustainability Appraisal, due to the site being in one of the more harmful Green Belt areas within the District.*

*The supply/demand balance in the EDNA update 2024 indicates that South Staffordshire’s local needs can be met and that there is a 27.6ha surplus of strategic employment land available for cross boundary unmet needs increasing further when factoring in available supply at WMI. When also factoring in the proposed new allocation at M6, Junction 13, this results in a potential significant contribution of 112.2ha (inc. minimum WMI contribution) available for export to the unmet needs of the Black Country FEMA.*

*A need for strategic scale logistics and manufacturing across the wider region has been determined through the West Midlands Strategic Employment Sites Study (WMSESS). However, the site is in the Green Belt and it is the Council’s choice not to release further Green Belt for employment land at this current time given the substantial pipeline of strategic employment land in the district, including an opportunity to allocate a further strategic site on non-Green Belt land (M6, Junction 13).*

*Balancing the above factors, the site is not proposed for allocation.” (Appendix A) (Emphasis Added)*

- 3.7 In addition, the 2024 ESES Topic Paper concludes that an additional site at Junction 13 Dunston is more suitable for allocation, primarily on the basis that it is not located within the Green Belt, and that is located at a key motorway junction that was identified as a broad location within the 2021 WMSESS. As a consequence, the Council suggests that the Council can meet its own needs and has a minimum of 112.2ha available for strategic cross-boundary unmet needs from the BCAs (Para 5.8).
- 3.8 In this regard, it is noted that the Council has updated its supporting evidence base and has justified its proposed employment needs and land strategy within (*inter alia*) the 2024 SA. The Site has been assessed in Appendix I, and for Richborough’s Site, the Council’s conclusions appear – at face value – to remain the same, and in part echo the comments made in the 2024 ESES. However, in comparison to the previous iteration of the SA (i.e. published in 2022), the Council appears to have revised the scoring of several of its employment sites, including Richborough’s, to ‘justify’ their approach. In particular, the Landscape and Townscape impact for 58a has been increased to ‘major’ adverse impact from ‘minor’, with no real justification provided within the 2024 SA. In contrast, other sites have improved their scores – again, with no justification provided.



3.9 Indeed, as shown in Table 3.1 below, Junction 13 Dunston (Ref: E30) actually scored worse on Climate Change and adaption than Gailey Lea in the 2022 SA. Overall, it would be reasonable to conclude that in the 2022 SA, Junction 13 Dunston (Ref: E30) could be adjusted to have been a less sustainable option/alternative than Gailey Lea. However, in the 2024 SA, for Junction 13 Dunston (Ref: E30) the Climate Change and adaption score has changed from Neutral to Positive (i.e. 0 to +), which when coupled with the purported increased major adverse impact in terms of Landscape and Townscape for Gailey Lea, now suggests the contrary.

Table 3.1 Comparison of Mitigated 2022 Reg 19 SA Scores and 2024 Reg 19 SA Scores for Reasonable Alternative Employment Sites

Site Name	Ref.	Climate Change Mitigation	Climate Change Adaptation	Biodiversity and Geodiversity	Landscape and Townscape	Pollution and Waste	Natural Resources	Housing	Health and Wellbeing	Cultural Heritage	Transport and Accessibility	Education	Economy and Employment
<b>2022 Reg 19 SA</b>													
Four Ashes Industrial Estate	E51a	+/-	+	0	-	-	-	0	-	0	-	0	++
	E51b	+/-	+	0	-	-	-	0	-	0	-	0	++
Hilton Cross Business Park	E20a	+/-	+	0	-	-	-	0	-	0	-	0	++
	E20b	+/-	+	0	-	-	-	0	-	0	-	0	++
ROF Featherstone	E18	+/-	0	0	-	-	-	0	-	0	-	0	++
West Midlands Interchange	E33	+/-	+	0	-	-	-	0	-	0	-	0	++
i54	E24	+/-	0	0	-	-	-	0	-	0	-	0	++
i54 Western Extension	E44	+/-	+	0	-	-	-	0	-	0	-	0	++
Gailey Lea	E58a	+/-	+	0	-	-	-	0	-	0	-	0	++
	E58b	+/-	+	0	-	-	-	0	-	0	-	0	++
M6, Junction 13, Dunston*	E30	+/-	0	0	-	-	-	0	-	0	-	0	++
<b>2024 Reg 19 SA</b>													
Four Ashes Industrial Estate	E51a	+/-	+	0	-	-	-	0	-	0	-	0	++
	E51b	+/-	+	0	-	0	-	0	-	0	-	0	++
Hilton Cross Business Park	E20a	+/-	+	0	0	-	-	0	-	0	-	0	++
	E20b	+/-	+	0	0	-	-	0	-	0	-	0	++
ROF Featherstone	E18	+/-	+	0	-	-	-	0	-	0	-	0	++
West Midlands Interchange	E33	+/-	+	0	-	-	-	0	-	0	-	0	++
i54	E24	+/-	+	0	-	-	-	0	-	0	-	0	++
i54 Western Extension	E44	+/-	+	0	-	-	-	0	-	0	-	0	++
M6, Junction 13, Dunston*	<b>E30</b>	+/-	+	0	-	-	-	0	-	0	-	0	++
Gailey Lea	E58a	+/-	+	0	-	-	-	0	-	0	-	0	++
	E58b	+/-	+	0	-	-	-	0	-	0	-	0	++

Source: Lichfields analysis based on 2022 and 2024 Reg 19 SA (**Bold** = Draft Allocated) (\* = Not previously Allocated, but Allocated in 2024 PP)

3.10 Richborough’s reading of these amendments to the evidence base leads it to consider that the Council has sought to reverse engineer their evidence base to justify its desired outcomes. In essence, at face value, the Council appears to have entered a position in which they have either incorrectly undertaken the evaluation of reasonable alternatives in the SA and Site Selection Process, or intentionally ‘restricted’ it.

3.11 Whilst the c.17 ha site is located on the SRN, it is neither of sufficient scale nor located adjacent to the SRFI, to make a meaningful contribution towards the strategic scale logistics and manufacturing needs of the District and wider FEMA. Indeed, the Council acknowledges that the site does not even meet the requirements to be considered a strategic employment site – a scale and size that the WMSESS has emphasized is critically needed in

this area (Appendix I). As it stands, Junction 13 Dunston (Ref: E30) was, in essence, only selected on the basis that it was not within the Green Belt, and the Council has changed its 2024 SA conclusions to support this.

- 3.12 In this regard, as previously stated in Richborough's 2022 PP representations (Appendix 3), the reasons provided by the Council for discounting the site are unjustified. The scale of the District's needs, when coupled with the BCA's unmet needs, is such that there is a critical need for strategic scale logistics and manufacturing in the area.
- 3.13 The Site offers significant and unique opportunities when compared to other employment sites. Indeed, the Site is located adjacent to the M6 J12, the A5 and the forthcoming WMI, and has easy access to the M54 to the south. It is located in a crucial area which will act as a key employment corridor within this part of the District. It is also well placed to meet the BCA's unmet employment needs in close proximity to where they arise, given its proximity to Wolverhampton. As was demonstrated in detail within Richborough's 2022 PP response, there are few if any sites within the District and wider FEMA that offer the strategic scale, and access to the SRN and WMI that Richborough's Site offers.
- 3.14 In the context of the Site being in the Green Belt, similar to the Council's conclusion on the 'exceptional circumstances' justifying the release of Green Belt land for housing, the Council has demonstrated that the sequential approach has been followed, and – crucially – that there are no other suitable strategic employment sites. As such it can be adjudged that exceptional circumstances have been demonstrated. Moreover, the Council has chosen to release Green Belt – albeit only for housing. As such, any further employment growth would require Green Belt release. Moreover, whilst it is justified to consider 'harm' in the balance when assessing exceptional circumstances for Green Belt release, it is not compliant with national policy to release only those sites which perform the worst against the Green Belt purposes (i.e. low Green Belt harm). It is therefore entirely in accordance with the NPPF to release Green Belt land to meet these employment land needs, even if it has a perceived higher level of harm.
- 3.15 As highlighted above in response to draft Policy DS4 (Development Needs), Richborough fundamentally disagrees with the Council's position that sufficient land is available to meet the District's employment needs and some of the BCA's unmet needs. The fact of the matter is that the Council has derived an overly contrived strategy designed specifically to limit Green Belt release, which is an approach which is neither positively prepared nor aspirational. The result of this, given the acuteness of the FEMA's unmet needs, is that the Council's approach is fundamentally failing to accommodate the unmet needs of the BCAs. Furthermore, it is an approach which is unsupported by justified and reasonable evidence.
- 3.16 Another issue with the Council's proposed strategy for employment is that it is overly reliant on the WMI to meet the 'lion's share' of the purported c.112 ha contribution. Indeed, the WMI represents c.60% of the supply purported to be meeting the unmet needs of the BCAs. However, there may be issues with this approach. By way of example, the WMI may take several years to begin and then continue delivering, which consequently could delay these cross-boundary needs being met. Equally, it may be the case that the WMI is delayed entirely. Either way, the Council's current approach is in essence reliant on a strategic scale component of supply which may not come forward as envisaged.

- 3.17 In this instance, and in the same way a buffer is expected for housing land supply, it is critical that the LPR has a sufficient employment land supply across the plan period so that it can adjust and accommodate any unforeseen circumstances, such as a degree of flexibility in delivery. This is because, if any single component of supply does not come forward or falls behind the timescales implied by the Council, which buffers are intended to address, this may result in the BCA's unmet employment land needs not being delivered, rather than the Council. Again, this further suggests that the Council should make provision for further employment land through the LPR to ensure a resilient supply.
- 3.18 Fundamentally, Richborough disagrees with the Council's assessment and conclusions on the Site – summarised within the 2024 ESES Topic Paper but drawing from the wider evidence base – which ultimately led to the Council electing not to allocate the Site. Richborough's previously submitted Vision Document (Appendix 2) demonstrated that the Site presents an excellent sustainable location to deliver around c.228,000 square meters of high-quality B8/Logistics floor space next to the WMI, together with attractive open space, other supporting infrastructure and a visual buffer of planting along the northern site edge to create a defensible boundary. However, importantly, it also clearly demonstrated that any impacts from the development could be appropriately and sensitively mitigated.
- 3.19 On the basis of the above, Richborough strongly contends that that there is a clear and cogent need for additional employment land within the District to meet not just only the District's own employment needs, but to assist in addressing the acute shortfall arising from the BCAs, and Richborough's Site should be included within the 2024 as a logical and sustainable strategic employment allocation.

## Safeguarding Land

- 3.20 Given the above, and when coupled with Richborough's response to Policy DS4 in respect of longer-term housing and employment needs within the GBBCHMA and the need for a LPR policy requirement, should the Council consider it more prudent to address any uncertainties regarding the delivery of the WMI and/or additional unmet needs through a future LPR – as alluded to in the 2024 PP (Para 5.12) – the NPPF notes that:
- “...Strategic policies should establish the need for any changes to Green Belt boundaries, having regard to their intended permanence in the long term, so they can endure beyond the plan period.” (Para 145) (Emphasis added)*
- 3.21 It goes on to state that when defining Green Belt boundaries, plans should, where necessary, identify areas of safeguarded land between the urban area and the Green Belt, in order to meet longer-term development needs stretching well beyond the plan period (Para 148c).
- 3.22 To this end, it is clear that through a future LPR, the Council will need to release further employment land, either to address wider FEMA needs or the District's. As shown in the ELNS Alternative Site Assessment submitted in support of Richborough's representation to the 2022 PP (Appendix 3), there are limited options for meeting these long-term strategic site needs outside of the Green Belt, by virtue of a majority of the sites that are adjacent to the SRN being within the Green Belt.

- 3.23 As such, the permanence of the Council’s currently proposed Green Belt boundaries is in doubt, as it is very likely that the Council will again need to revisit releasing Green Belt land in due course. In this regard, the identification of additional safeguarded land will ensure that Green Belt boundaries will not need to be altered at the end of the plan period. Indeed, this is an approach that the Council has previously adopted in the current Core Strategy (2012) (i.e. Policy GB2: Land Safeguarded for Longer Term Needs). Therefore, at the very least, Richborough considers that a reasonable alternative to allocating the Site in the current LPR would be to safeguard the land for future development. This approach would be entirely in accordance with the NPPF and will ensure that the Green Belt boundaries will not need to be reviewed again until the end of the next plan period (Para 148c, NPPF).

### Why is the policy unsound?

- 3.24 In relation to employment development Richborough is concerned that draft Policy DS5 (The Spatial Strategy to 2041) as it is drafted is unsound. As set out in Richborough’s response to draft Policy DS4 (Development Needs), Richborough does not consider that the Council’s 2024 PP adequately identifies the District’s objectively assessed needs for employment land or makes an appropriate contribution towards the unmet needs of the FEMA. As such, draft Policy DS5 (The Spatial Strategy to 2041) is not sound as it does not identify or allocate sufficient employment sites to provide for objectively assessed needs and those that cannot be met within neighbouring areas (Para 11b).
- 3.25 Whilst the Council’s evidence base has discounted Richborough’s Site, particularly in favour of the employment land allocation at Junction 13, the above response has demonstrated that this analysis is poorly evidenced and not supported by justified evidence. At present, the Council runs the risk of potentially falling into a position where either the evaluation of reasonable alternatives in the SA and Site Selection Process could be interpreted to either have not been undertaken properly or to have been ‘improperly restricted’, in the context of the iterative process necessary for progressing a plan.
- 3.26 As Richborough has previously set out, there are no other ‘sequentially preferable’ strategic employment opportunities. The scale of the unmet employment needs of the FEMA is such that Green Belt release is fundamentally required to meet the longer-term strategic needs. As such, it is entirely reasonable to release ‘high’ performing Green Belt land at Gailey Lea to address the unmet employment needs of the FEMA – such an approach is entirely consistent with the NPPF. Richborough has demonstrated that the Site is deliverable and would deliver significant benefits, whilst assisting the Council in addressing their objectively assessed needs and the unmet needs of the FEMA and wider region.

### Recommended steps to ensure soundness

- 3.27 Richborough, therefore, requests the Council to consider a modification to draft Policy DS5 and draft Policy SA7 (Employment Allocations), which considers the issues raised within these representations. In particular, Richborough considers that the Council should allocate Land at Gailey Lea Farm for c.87 ha of employment development in the LPR. This would ensure that the PP is sound and compliant with paragraphs 11b, 16a, 16b, 24, 35a-d, 85, and 86c of the NPPF.
- 3.28 Alternatively, the Council could include a modification to the 2024 PP which inserts a new Safeguarded Land policy which identifies 10 years’ worth of safeguarded land to ensure that

safeguarded land will be available, if needed, as a buffer to ensure that the Green Belt boundary retains a degree of permanence. To this end, Richborough has suggested the below policy wording:

*“Policy DS7 – Land Safeguarded for Longer Term Employment Needs*

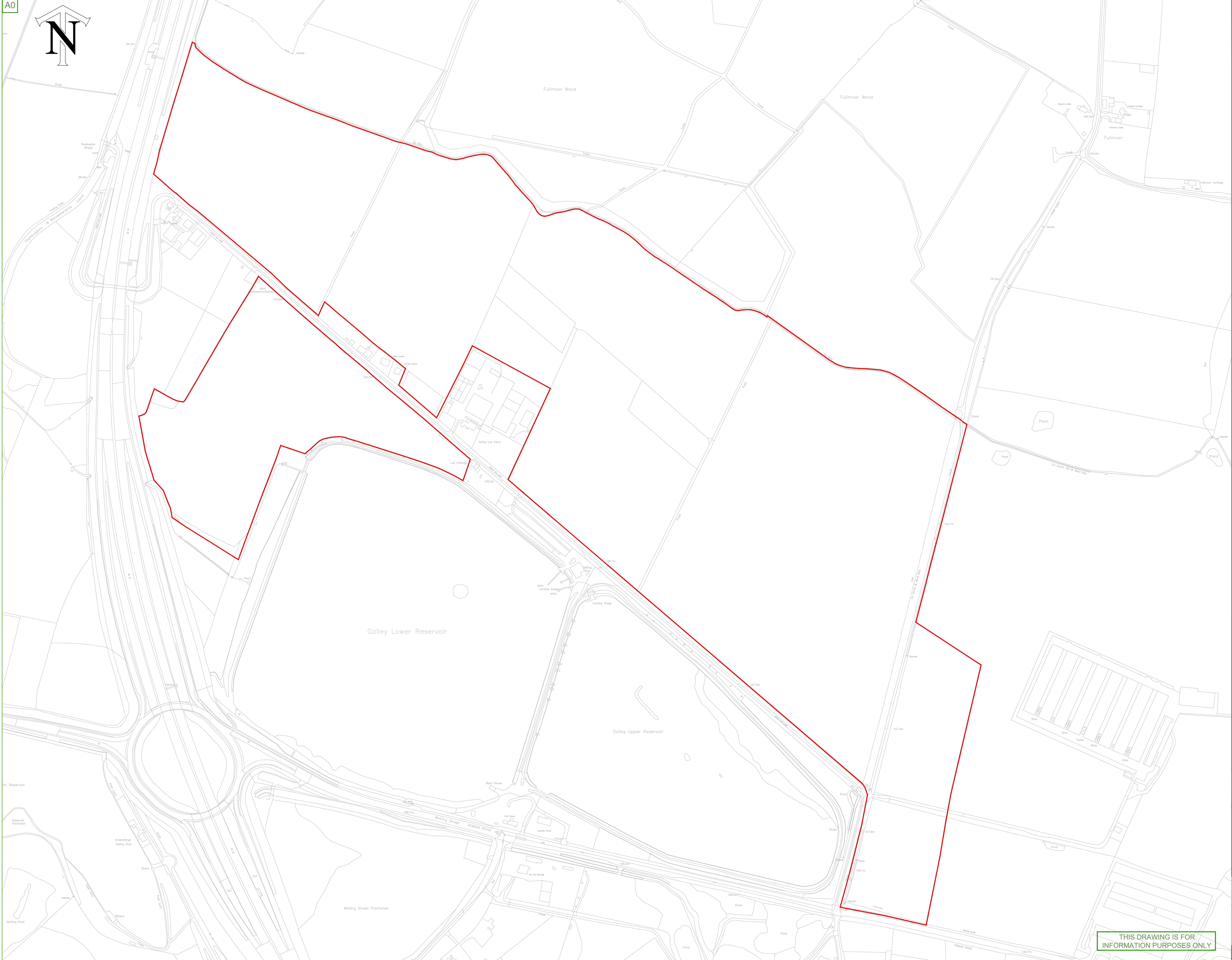
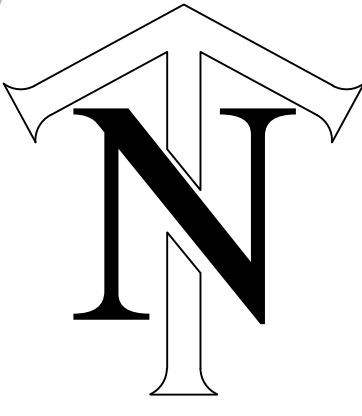
*a) Safeguarded land has been identified for employment development for the period 2039 – 2049. This is at the four existing freestanding strategic employment sites at i54, Hilton Cross, ROF Featherstone/Brinsford and Four Ashes and Land at Gailey Lea Farm (Site Ref. E58).*

*b) All safeguarded land identified for longer-term development needs and removed from the Green Belt (including existing safeguarded land) will retain its safeguarded land designation until a review of the Local Plan proposes the development of those areas in whole or part. Planning applications for permanent development prior to allocation in the Local Plan will be regarded as departures from the Plan.”*

3.29 This would ensure that the 2024 PP is sound and compliant with paragraphs 11b, 16a, 16b, 24, 35a-d, 85, 86c, 148c and 148e of the NPPF.

# Appendix 1 Site Location Plan





Notes:  
Key:  
Indicative Site Boundary

B OS base updated to mastermap, red edge to the southern side of Gailey Lea Lane updated to reflect sites SF514321 and SF627694 combined boundaries. 19.01.2022  
A Site location boundary updated to remove existing commercial building onsite. 12.01.2022

**Richborough Estates**

**Birmingham**  
Second Floor, Waterloo House  
20 Waterloo Street  
Birmingham, B2 3TB  
Tel: 0121 633 4939  
info@richboroughestates.co.uk

**London**  
8 St James's Square  
London, SW1Y 4JZ  
Tel: 02030 111 353

Development Name: Gailey Lea Farm, Stafford  
Project Number: .

Title: Site Location Plan

Drawn by: 20/12/21 Drawn by: NJM Scale: 1/2000 @ A0

Checked by: RE-GLLS-LP-01 Revision: B

THIS DRAWING IS FOR INFORMATION PURPOSES ONLY



# Appendix 2 Vision Document





LAND TO THE EAST OF J12 OF THE M6

# GAILEY LEA

PROMOTIONAL DOCUMENT



Prepared by Evolve Planning & Design Ltd on behalf of Richborough Estates in April 2022





Prepared by Evolve Planning & Design Ltd on behalf of Richborough Estates in April 2022.

Project code EP042.  
Document ref EP042\_PromoDoc\_210322  
Contact: Neil Cox

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# 1

INTRODUCTION AND  
DOCUMENT PURPOSE





# 1

# INTRODUCTION AND DOCUMENT PURPOSE

## Introduction

- 1.1 Land at Gailey Lea ("the Site") represents a logical and appropriate employment land opportunity, in close proximity to the West Midlands Interchange [WMI]. The Site represents an opportunity to deliver additional employment growth that would capitalise on the area's new regional importance as a distribution hub for the region's advanced manufacturing companies.
- 1.2 The Site is situated in a logical and sustainable location and has excellent access to the strategic road network.

## Richborough Estates

- 1.3 Richborough Estates is a responsible and specialist strategic land promotion business founded with the aim of working in partnership with landowners. Richborough Estate's projects are located throughout the country ranging from residential schemes of around 50 dwellings to large urban extensions, including sites located within the Green Belt.
- 1.4 Richborough Estates oversees the entire planning process from start to finish and works closely with local communities, planning officers and key stakeholders to create the most mutually beneficial schemes. Richborough is seeking to apply this approach to the proposed development which is the subject of this Promotional Document.
- 1.5 Richborough Estates has an interest in the land to the east of Junction 12 of the M6 at Gailey Lea. The extent of land controlled by Richborough is shown edged red on the Location Plan on Page 6.

## Document Purpose

- 1.6 South Staffordshire District Council ("SSDC") is currently in the process of preparing a new Local Plan which promotes the spatial distribution of 9,727 dwellings and 85 hectares of new employment land across the District to 2040, informed by an updated settlement hierarchy.
- 1.7 This Promotional Document demonstrates that the Site at Gailey Lea represents a logical and sustainable employment opportunity to support additional employment growth and that exceptional circumstances exist to justify its removal from the Green Belt.
- 1.8 This Promotional Document presents an analysis of the Site and its surroundings and sets out in detail the case for the removal of the Site from the Green Belt. This includes a review of the current and emerging planning policy position and an assessment of the Site against the five purposes of the Green Belt contained in the National Planning Policy Framework (2021) ("The Framework").
- 1.9 This document also sets out the Vision for the Site informed by a consideration of the constraints and opportunities and an Indicative Masterplan demonstrating how the Vision can be achieved through a well-designed scheme. The document concludes with a concise summary of the Site, the proposed development and its key benefits.
- 1.10 Overall, this Promotional Document presents a sustainable site to support the Site's allocation through the Local Plan Review process and promotes its release from the Green Belt.
- 1.11 This document has been prepared with input from the following Consultant Team:

Planning: Lichfields	
Urban Design: nineteen47	
Access and Movement: hub	
Landscape: Tyler Grange	





2

PLANNING POLICY CONTEXT

# PLANNING POLICY CONTEXT

- 2.1 As set out above, the Site is located within the administrative boundary of South Staffordshire. In this regard, the adopted Core Strategy (2012) [CS] sets out the housing and employment need and spatial strategy for the District for the 2006 to 2028 period, and the subsequently adopted Site Allocations Document (2018) [SAD] identified suitable sites for housing and employment growth to meet these needs.
- 2.2 Core Policy 7 (Employment and Economic Development) of the CS set out that the Council supported modest extensions to the four freestanding strategic employment sites in the District

(i54, Hilton Cross, ROF Featherstone/Brinsford and Four Ashes) to accommodate employment needs. Both the CS and SAD recognised that employment provision was a key cross-boundary strategic issue for the District and the neighbouring Black Country and that the Council might play a role in meeting any identified shortfall in the Black Country's supply of High Quality [HQ] employment land. To this end, Policy SAD5 (Employment Land Allocations) identified 62 ha of additional employment land extensions at i54 and ROF Featherstone to contribute towards the Black Country's supply.

- 2.3 However, as a result of the evidenced unmet housing needs across the 'Greater Birmingham and Black Country Housing Market Area' [GBBCHMA], Policy SAD1 of the SAD committed the Council to undertake a Local Plan Review to ensure that the Council can contribute towards meeting the GBBCHMA unmet housing needs in a timely manner.

## Emerging Local Plan Review

- 2.4 As required by Policy SAD1 of the SAD, the Council began a Local Plan Review in November 2018 and recently consulted on the 'Local Plan Review - Preferred Options' ("the PO") between November and December 2021.
- 2.5 The Local Plan Review covers the period from 2018 to 2038 and sets out how the Council want to guide the development over the plan period. It also responds to the requirements set out in the revised Framework, including the need to address the employment housing needs of neighbouring authorities (Para 11b) and the Duty to Cooperate [DtC] (Para 24).

- 2.6 The Council's PO sets out the Council's preferred policy options for development up to 2038. In terms of employment, emerging Policy SA7 (Employment Allocation - West Midlands Interchange) proposes to allocate the WMI, and remove it from the Green Belt, even though it already has consent via the DCO. The PO does not make any further allocations per se but supports 106 ha of growth at the Districts five existing freestanding strategic employment sites (Policy DS3 - The Spatial Strategy to 2038).

### 1. EMPLOYMENT NEED AND DUTY TO COOPERATE

- 2.7 The Framework places a clear emphasis on the importance of meeting employment needs, stating that "significant weight should be placed on the need to support economic growth and productivity" (Para 80). Paragraph 11b is also clear that any unmet needs in neighbouring authorities should also be met.
- 2.8 It is noted that the Council has committed, through the PO, to contributing its c.19 ha identified surplus and part of the WMI to addressing the Black Country's unmet employment land needs. However, it should be noted that the 'South Staffordshire EDNA Part 1 (August 2018)' is now markedly out of date in light of the implications of Covid-19 and Brexit and there are a number of deficiencies in the Council's approach which points to potentially a significantly greater level of need for BB storage and distribution floorspace in the District and across the functional economic market area [FEMA] than is recommended in the Council's current evidence base.

- 2.9 Moreover, it is not necessarily within the Council's gift to apportion the WMI to neighbouring authorities as it sees fit as the WMI will play a regional role. Indeed, as the Black Country's 'West Midlands Strategic Rail Freight Interchange Employment Issues Response Paper - Whose need will the SRFI serve? (February 2021)' has shown that it would serve c.67 ha of the Black Country's employment needs and only c.5 ha would be to meet the needs of South Staffordshire, therefore raising its purported oversupply to c.24 ha.

- 2.10 Even if it were accepted that the Council could distribute some of the employment land arising from the WMI to other authorities, crucially there would still be an acute unmet need for employment land within the Black Country. Indeed, the Black Country has identified that they would not be able to meet c.210 ha of their employment land need up to 2039 in their 'Black Country Economic Development Needs Assessment (EDNA) Update (August 2021)'; albeit, if they aligned economic growth aspirations with the 'Black Country Strategic Economic Plan 'Made in the Black Country: Sold around the World' (March 2014) this would increase further. Even when accounting for potential contributions from outside of the Black Country, comprising the c.19 ha from the Council, between c.72-94 ha from the WMI and c.30 ha from Shropshire, there would still be an undersupply of between 91-111 ha - or between 16-21% of the BCAs employment needs - arising in the Black Country up to 2039.

- 2.11 Given the acuteness Black Country's unmet need, that Cannock Chase is currently proposing to only address its own employment needs there is a cogent argument for the Council to accommodate further employment growth within the District to meet the needs of the Black Country, as it is unlikely that this could be accommodated elsewhere within the FEMA.

### 2. EXCEPTIONAL CIRCUMSTANCES

- 2.12 The Framework is clear that the weight attached to Green Belt by the Government, and that "once established, Green Belt boundaries should only be altered where exceptional circumstances are fully evidenced and justified, through the preparation or updating of plans." (Para 140). Paragraph 141 of the Framework then sets out a sequential approach necessary prior to concluding exceptional circumstances justify the release of Green Belt.

- 2.13 However, it is also clear that Local Plans should "as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring areas" (Para 11b) and policies should also "recognise and address the specific locational requirements of different sectors", including (inter alia) "for storage and distribution operations at a variety of scales and in suitably accessible locations" (Para 83).

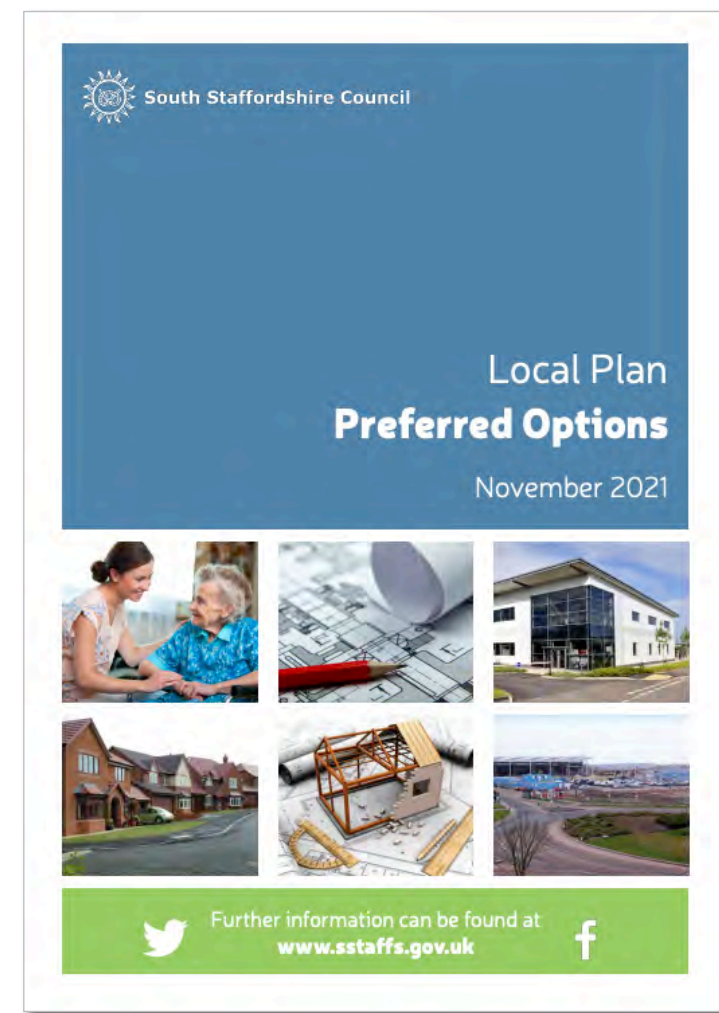
- 2.14 In respect of the 'exceptional circumstances' required to review the Green Belt, the Council should have regard to the acuteness of the FEMA's employment needs and availability of land to meet these needs up to 2039. This is particularly important as both the Council and the FEMA are constrained by Green Belt.

- 2.15 In this regard, although in the context of unmet housing needs, in the Calverton Parish Council v Nottingham City Council High Court Judgment case, the Judge pointed to the acuteness of the objectively assessed housing needs when considering whether housing need should be considered an exceptional circumstance (Para 51).

- 2.16 As indicated above, the Black Country is unable to meet its employment needs up to 2039, with an undersupply of between 91-111 ha; albeit there is a cogent argument that the level of unmet need is higher when considering the Black Country SEP's vision. It is clear that the level of unmet employment needs across the FEMA is acute.

- 2.17 With regards to the sequential approach, the 'Employment Sites: Site Assessment Topic Paper (September 2021)' assessed a 25 sites identified through the SHELAA which included the consented WMI, totalling c.896 ha of land; however, of these sites, only 22 were considered potentially suitable (834.2 ha). Moreover, of these sites, only 3 sites, totalling 88.89 ha of land, was actually outside of the Green Belt. However, few, if any, of these sites benefited from the strategic scale, access to the strategic road network [SRN] (adjacent to the M6 J12, the A5 and easy access to the M54 to the south) and proximity to the WMI.

- 2.18 As such, it is considered that the acuteness of the FEMA's employment needs can, and in this instance, should, constitute exceptional circumstances and there are limited opportunities to deliver growth on non-Green Belt land. As such a review of the Green Belt, and sites within it, would be entirely consistent with the Framework. A review of the Sites performance against the five purposes of the Green Belt, set out in Paragraph 138 of the Framework, is set out below in more detail.







3

SITE AND  
SURROUNDING CONTEXT



# SITE AND SURROUNDING CONTEXT

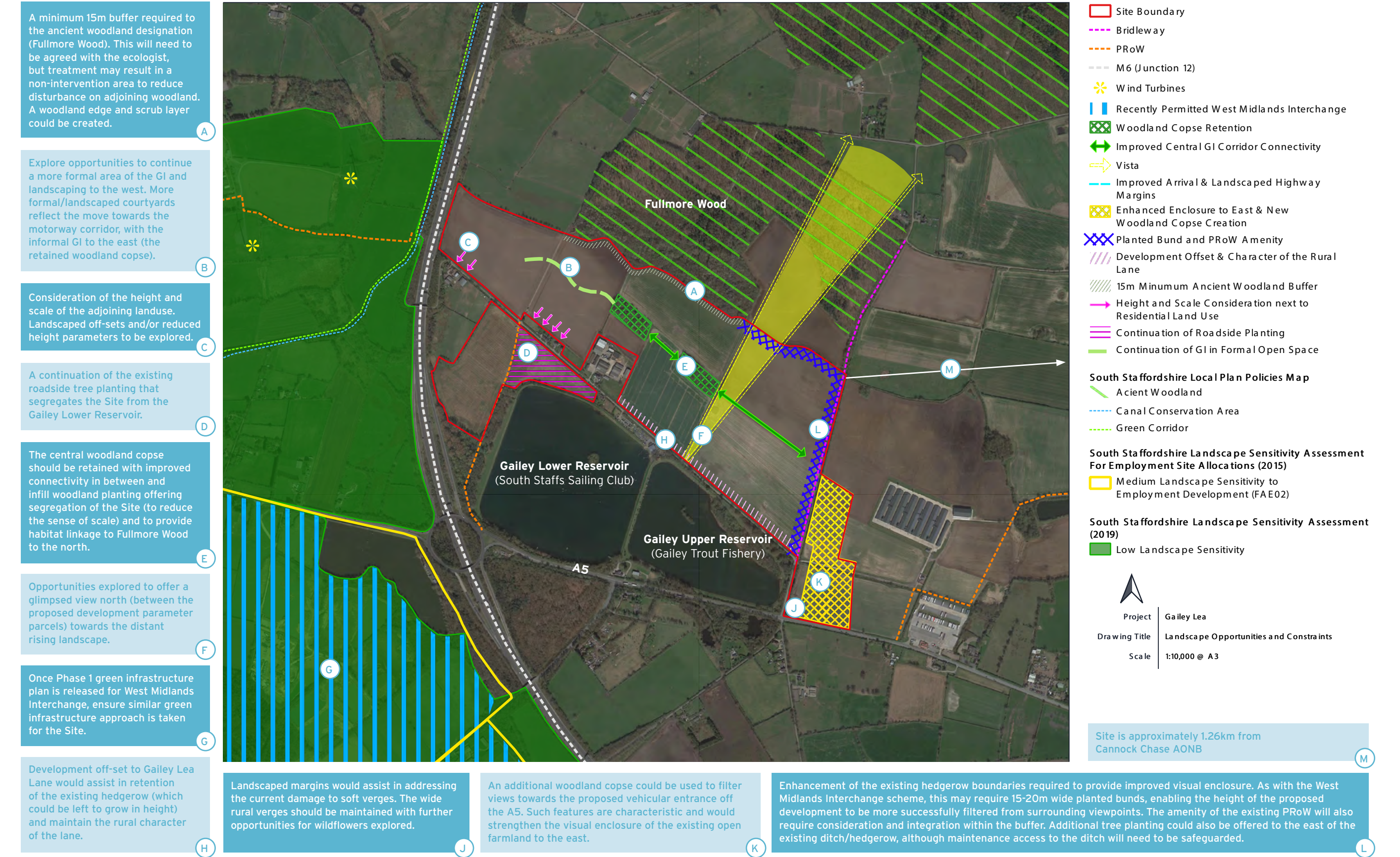
## The Site

- 3.1 The Site falls within the administrative boundary of South Staffordshire Council and comprises c.87 hectares [ha] of greenfield and brownfield land, currently utilised as agricultural fields, agricultural farms and associated buildings.
- 3.2 The Site is situated north of the A5 and Gailey Lea Upper and Lower Reservoirs, to the east of the M6, and to the south of Fullmore Wood Ancient Woodland, and is currently designated as Green Belt. Gailey Lea Lane connects to the A5 to the south of the Site. The surrounding area to the Site could be generally characterised as agricultural, with several large rural dwellings/farms within the area; together with stretches of ribbon development along the A5 towards Cannock.
- 3.3 The Environment Agency's Map identifies the Site as being located within Flood Zone 1 and being at low risk of flooding. There are no heritage assets on the Site. Rows of mature trees and hedgerows are interspersed within the Site, along field boundaries, however, there are no ecological designations within the Site. The Site falls within the Stowe Pool and Walk Mill Clay Pit, Four Ashes Pit and Cannock Chase SSSI Impact Risk Zones and is within close proximity to the Watling Street Plantation Retained Biodiversity Alert Site to the south beyond the A5 and designated Local Wildlife Site [LWS] at the Gailey Lea Reservoirs. It also falls within a Nitrate Vulnerable Zone.

## Site Context

- 3.4 The surrounding area to the Site could be generally characterised as agricultural, with several large rural dwellings/farms within the area. However, to the south-west of the Site, and beyond the M6, is the Site for the recently approved c.300 ha WMI, which comprises an intermodal strategic rail freight interchange terminal ("SRFI"), c.743,200 sq. m of rail-served warehousing floor space, a small amount of space for ancillary buildings and storage areas, along with at least c.108 ha of on-site Green Infrastructure.

Fig 3.1: Landscape Opportunities and Constraints Plan





## Landscape

### INTRODUCTION

3.5 The Site is not subject to any national landscape designations, but does lie within the Green Belt. The Site is situated to the south of Penkridge, within South Staffordshire, approximately 4km to the west of Cannock centre. The eastern boundary of the Site is almost 1.85km south west of a spur of Cannock Chase AONB.

3.6 South Staffordshire Council's Interactive Map shows the Canal Conservation area lies directly west of the Site, with a Green Corridor which lies directly west of the Site and follows the Canal Conservation Area.

3.7 A review of MAGIC shows a Local Nature Reserve (Shoal Hill Common) is situated within the AONB to the north east of the Site, and an area of Ancient Woodland (Fullmore Wood) lies directly north of Site.

3.8 As part of the review of the Site, the current baseline context has been considered. This includes the consented nearby employment developments; namely the West Midlands Interchange/Rail Freight terminal.

### PUBLIC RIGHTS OF WAY

3.9 Bridleway 'Hatherton CP 10' runs adjacent to the eastern Site boundary, with Footpath 'Hatherton CP 7' approximately 434m further east of this boundary near the Poultry Sheds. This Footpath becomes 'Hatherton CP 7' as it follows through Hatherton and towards Cannock, where it meets a wider network of Footpaths and Bridleways.

3.10 A series of Bridleways (including 'Hatherton CP 0972', 'Hatherton CP 0957/0966/0973' and 'Hatherton CP 1') lie approximately 1.9km north east of the Site and are situated within the Cannock Chase AONB.

3.11 Footpath 'Penkridge CP 27' runs from Gailey Lea Lane on the south-western edge of the Site, down south past South Staffordshire Sailing Club and towards Junction 12 of the M6.

3.12 Footpath 'Penkridge CP 01055(a)' runs from the M6 on the western edge of the Site, past nearby wind turbines and towards Rodbaston College. Cross Britain Way Long Distance Trail runs adjacent to the western Site boundary and the M6.

3.13 Approximately 1km north of the Site in Penkridge, Footpath 'Penkridge CP 1R/2211' joins onto the Cross Britain Way Long Distance Trail.

### LANDSCAPE CHARACTER

3.14 The characterisation process is a non-value judgement process; therefore, classifying landscapes into distinct areas does not suggest that one character area is more sensitive than another or valued by people more or less.

3.15 The landscape character appraisal process reviews the wider landscape character type at a district level (South Staffordshire) and at a site-specific level. The below considers the Site-specific features and character context as identified by Tyler Grange through fieldwork. From this we can identify the relevant characteristics and important site features to retain.

### Staffordshire county council landscape descriptions

3.16 At a district level, the Site is located within the Ancient Clay Farmlands Landscape Character Type (LCT).

3.17 The characteristic landscape features include mature hedgerow oaks, strong hedgerow patterns, small broadleaved conifer woodlands, numerous farmsteads, cottages and villages, a gently rolling landform and a dispersed settlement pattern.

3.18 The specific guidelines include the following with regards to tree and woodland planting:

- "Increase planting of hedgerow trees and field corners to rebuild the structure of the landscape where decline is occurring;
- Plant new woodlands to adhere to existing field pattern and to reflect the scale of the landscape;

- In the more open areas there is therefore the opportunity for large scale planting appropriate to those landscapes, provided that coalescence and views through them are considered. Consider the planting of new native woodland between ancient woodlands, to reduce fragmentation;

- Respect the existing broadleaved character of the landscape in any new planting proposals, although some conifer content would be acceptable provided it was carefully integrated into the woodland design. Care is needed over the treatment of woodland edges to reflect the hedgerow character in colour and texture. Stream corridors could be reinforced with additional linear planting of waterside species; and

- Retain the visual interest of views from roadsides by avoiding extensive planting up to roadsides along considerable distances. In areas of stronger landform, internal design of woodlands will become important."

### Site-specific Character

3.19 At a site-specific level, the Site is essentially considered to be a large and relatively flat area of arable land which has seen hedgerow removal over time. Two central copses of trees remain, with the southern hedge flailed to 1m with views of from Gailey Lea Lane, and the eastern hedgerow left to grow (approximately 4-5m high) with some larger scattered mature trees. The ditch has recently been dredged.

3.20 The M6 is visible as are the two associated wind turbines to the west. The large angling lakes to the south are a local artificial feature surrounded by mature trees. The farm buildings are visible as well as the adjoining red brick cottages; experienced as an isolated hamlet. The woodland and rising ground to the north offer a sense of enclosure to the Site.

3.21 Additional local landscape features include wind turbines to the west, the M6 to the west, Commercial sites to the east (Abbey Foods and Poultry sheds), Gailey Lea Lower Reservoir (South Staffs Sailing Club) and Gailey Upper Reservoir (Gailey Trout Fishery) directly to the south.

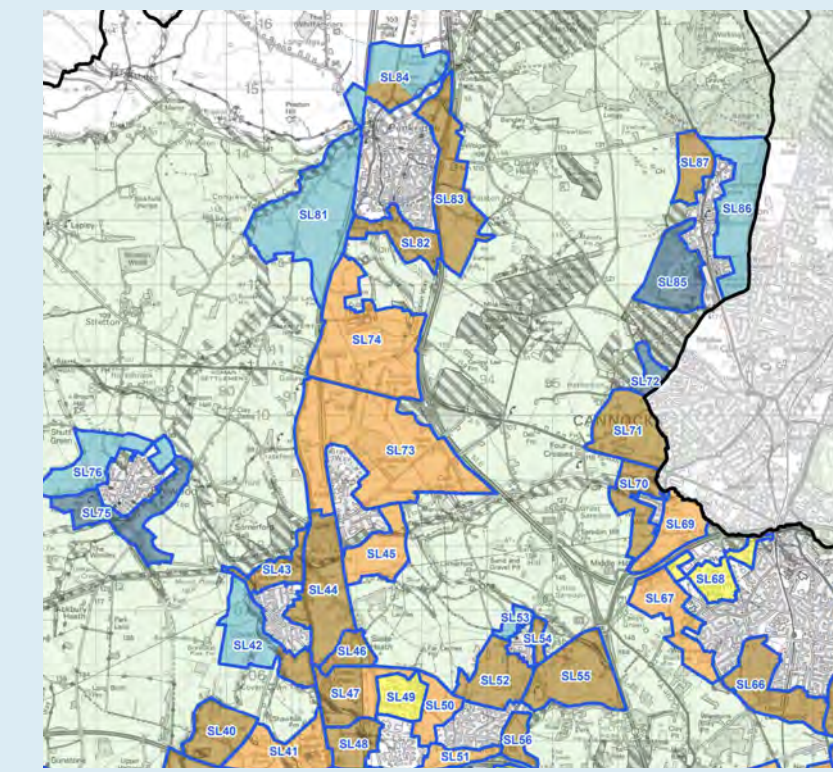
## LANDSCAPE SENSITIVITY

### South Staffordshire Landscape Sensitivity Assessment (July '19)

3.22 The South Staffordshire Landscape Sensitivity Assessment does not include for an assessment of the area in which the Site is located, however it does consider the land directly west and south west of the Site as being a Low Sensitivity Area.

3.23 This is the area in which the consented West Midlands Interchange development and rail freight network is to be developed. This additional development provides a strong developed influence to the Site, reducing the potential sensitivity to employment development. Whilst the assessment doesn't provide a judgement for the Site, Richborough Estates considers the Site as being comparable to the adjoining landscape and would also assign a Low Sensitivity to development judgement.

Fig 3.2: Extract from South Staffordshire Landscape Sensitivity Assessment (July 2019)



Sensitivity Rating

High	Moderate to High	Moderate	Low to Moderate	Low
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## Green Belt

### South Staffordshire Green Belt Study (2019)

3.24 Part A of the Staffordshire Green Belt Study reveals that the Site is situated within South Staffordshire Green Belt.

3.25 The Planning Advisory Service considers the way in which the five purposes of Green Belt should be addressed, as follows:

- **“Purpose 1: To Check the Unrestricted Sprawl of large built-up areas** – this should consider the meaning of the term 'sprawl' and how this has changed from the 1930s when Green Belt was conceived.

- **Purpose 2: To Prevent Neighbouring Towns from merging into one another** – assessment of this purpose will be different in each case and a 'scale rule' approach should be avoided. The identity of a settlement is not determined just by the distance to another settlement; instead the character of the place and the land between settlements must be acknowledged.

- **Purpose 3: To assist in safeguarding the countryside from encroachment** – the most useful approach for this purpose is to look at the difference between the urban fringe and open countryside. As all Green Belt has a role in achieving this purpose, it is difficult to apply this purpose and distinguish the contribution of different areas.

- **Purpose 4: Preserving the Setting and Special Character of Historic Towns** – this applies to very few places within the country and very few settlements in practice. In most towns, there is already more recent development between the historic core and the countryside.

- **Purpose 5: To assist in urban regeneration by encouraging the recycling of derelict and other urban land** – the amount of land within urban areas that could be developed will already have been factored in before identifying Green Belt land. The value of various land parcels is unlikely to be distinguished by the application of this purpose."

3.26 Part B of the Staffordshire Green Belt Study reveals that:

1. The Site is situated within a moderate purpose 1 rating.
2. The Site is situated within a weak purpose 2 rating.
3. The Site is situated within a strong purpose 3 rating.
4. The Site is situated within a weak purpose 4 rating.

### Appendix 2: Stage 1 Green Belt Assessment for South Staffordshire: Contribution

3.27 The Site is situated within Parcel Ref S2 - Between Cannock and Penkridge (Parcel Size: 2102.6h).

3.28 Assessment of Parcel S2 Contribution to Green Belt Purposes is considered below setting out the Council's assessment against Green Belt purposes for the parcel and subsequently Richborough Estates' assessment of the site:

3.29 **P1: Checking the unrestricted sprawl of large built-up areas**

- Land is close to the large built-up area and is to an extent contained by urban development, but retains openness and some relationship with the wider countryside
- Moderate

3.30 **Richborough Estates' Assessment (Site-specific)**

- Whilst the above commentary is true for Parcel S2, the Site forms only a small part of the wider parcel. The Site is situated towards the southern part of the wider S2 parcel which is bound by the M6 to the west and the A5 to the south. As noted, the amended baseline conditions including the consented West Midlands Interchange and rail freight terminal are to be considered. These will introduce a new built edge and urban influence which adjoin the western edge of the Site. Additional urban influences exist to the south of the Site with the Gailey Lea reservoir, and the existing farm buildings and adjoining red brick cottages along the southern boundary.
- To the north, Fullmore Wood (ancient woodland) forms a large part of the boundary and assists with restricting potential sprawl.



- Additional mature hedgerow boundaries to the Site further restrict sprawl. The Site also cannot be considered as ribbon development, given the depth of the proposed scheme parameters.

**3.31 P2: Preventing the merging of neighbouring towns**

- Land plays no significant role due to the distance between the Cannock built up area and Stafford, its nearest neighbouring towns.

- Weak / No contribution

**3.32 Richborough Estates' Assessment (Site-specific)**

- Richborough Estates agrees with the above commentary for wider parcel S2, with the land playing no significant role in preventing the merging of neighbourhood towns due to the distance between the Cannock built up area and Stafford, its nearest neighbouring towns.

**3.33 P3: Safeguarding the countryside from encroachment**

- Land contains the characteristics of open countryside (ie. an absence of built or otherwise urbanising uses in Green Belt terms) and does not have a stronger relationship with the urban area than with the wider countryside.

- Strong

**3.34 Richborough Estates' Assessment (Site-specific)**

- Whilst the above commentary is true for Parcel S2, the Site forms only a small part of the much wider parcel. The Site relates well to the adjacent consented West Midlands Interchange and freight rail network to the west beyond the M6, the A5 to the south and additional existing farm buildings and red brick cottages.

- Beyond the A5 to the south lies additional urbanising influences of the Gailey Lea reservoir.

- The existing framework of vegetation including Fullmore Wood to the north and the limited number of public receptor

locations reduces the perceived sense of openness. This emphasises the degree of containment that currently exists. The amended baseline conditions including the consented West Midlands Interchange, will create somewhat of a transitional landscape with obvious urban fringe components.

- The retention and enhancement of the framework of boundary vegetation, and the delivery of characteristic development response with new Green Infrastructure links would further limit the extent to which proposed built form would introduce uncharacteristic features into the landscape, thus any sense of visual encroachment into the wider countryside would be reduced.

**3.35 P4: Preserve the setting and special character of historic towns**

- Land does not contribute to the setting or special character of a historic town.

- Weak / No contribution

**3.36 Richborough Estates' Assessment (Site-specific)**

- Richborough Estates is in agreement with the findings against Purpose 4.

**3.37 P5: Assist urban regeneration, by encouraging recycling of derelict and other urban land**

- All parcels are considered to make an equal contribution to this purpose.

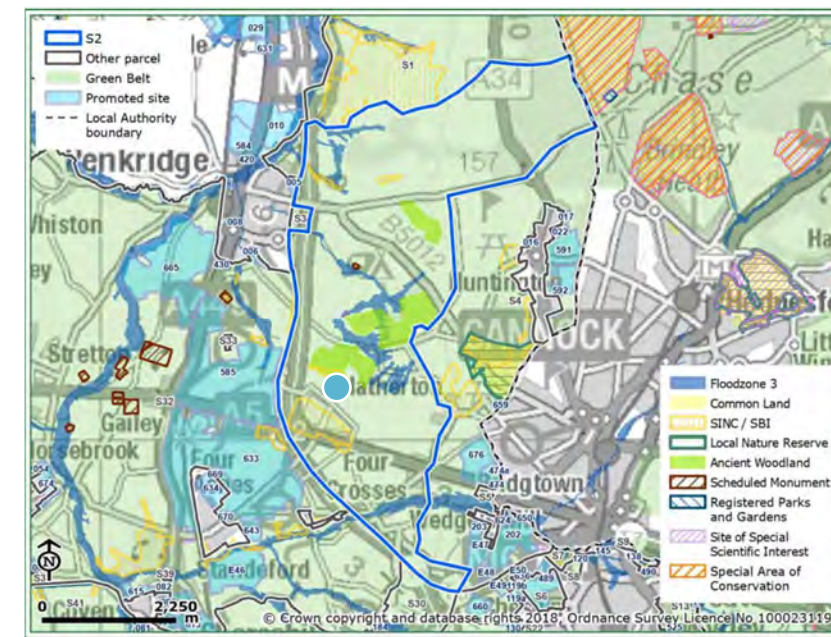
- Strong

**3.38 Richborough Estates' Assessment (Site-specific)**

- Richborough Estates is in agreement with the findings against Purpose 5.

**3.39** In terms of the green belt sub-parcels in Appendix 3 of the Stage 2 Green Belt Assessment for South Staffordshire, the Local Planning Authority (LPA) have not selected the Site as part of the Assessment of Parcel Contribution to Green Belt Purposes.

**Fig 3.3 South Staffordshire Green Belt Study Constraints Plan**



**Fig 3.4 South Staffordshire Green Belt Study Parcel S2**



● Approximate site location

**Heritage & Archaeology**

**3.40** There are no designated heritage assets within the Site or within a 1km search area. The nearest listed building to the Site is the Grade II Listed Four Crosses Inn, located approximately 1.2km to the east. The Grade II Listed Wharf Cottage and The Round House are situated either side of the Staffordshire & Worcester Canal at Gailey Wharf, located approximately 1.3km to the south west of the Site.

**3.41** There is no evidence to suggest that the Site contains, or has the potential to contain, archaeological remains of sufficient importance to prevent or constrain development. Under these circumstances it is not considered that any further investigation would be needed in connection with the allocation of the Site for development.

**Ecology**

**3.42** There are no designated ecology conservation sites within or adjacent to the Site, the closest being the Four Ashes Pit Site of Special Scientific Interest [SSSI] which is located 2.75 km to the south east of the Site.

**3.43** The Shoal Hill Common Local Nature Reserve [LNR] is located approximately 2 km to the east of the Site. In addition the Site is within close proximity to the Watling Street Plantation Retained Biodiversity Alert Site [BAS] to the south beyond the A5 and designated LWS at the Gailey Lea Reservoirs.

**3.44** The Site itself is largely dominated by arable fields of negligible ecological importance. Habitats of highest ecological importance are limited to:

- Hedgerows at field boundaries
- Broadleaved Woodland and mature trees

**3.45** There are opportunities to protect habitats of highest ecological importance and enhance the Site's importance for ecology and deliver biodiversity net gain through creation of new habitats in line with Local BAP targets within a robust landscape scheme.

**Flood Risk & Drainage**

**3.46** The EA Flood Map for Planning identifies the Site is entirely located within Flood Zone 1. Flood Zone 1 (Low Probability) is land defined as having less than a 1 in 1000 annual probability of river or sea flooding.

**3.47** Risk of flooding from surface water mapping has been prepared by the EA. This shows the potential flooding which could occur when rainwater does not drain away through the normal drainage system or soak into the ground, but lies on or flows over the ground instead. The majority of the Site is at very low risk of surface water flooding

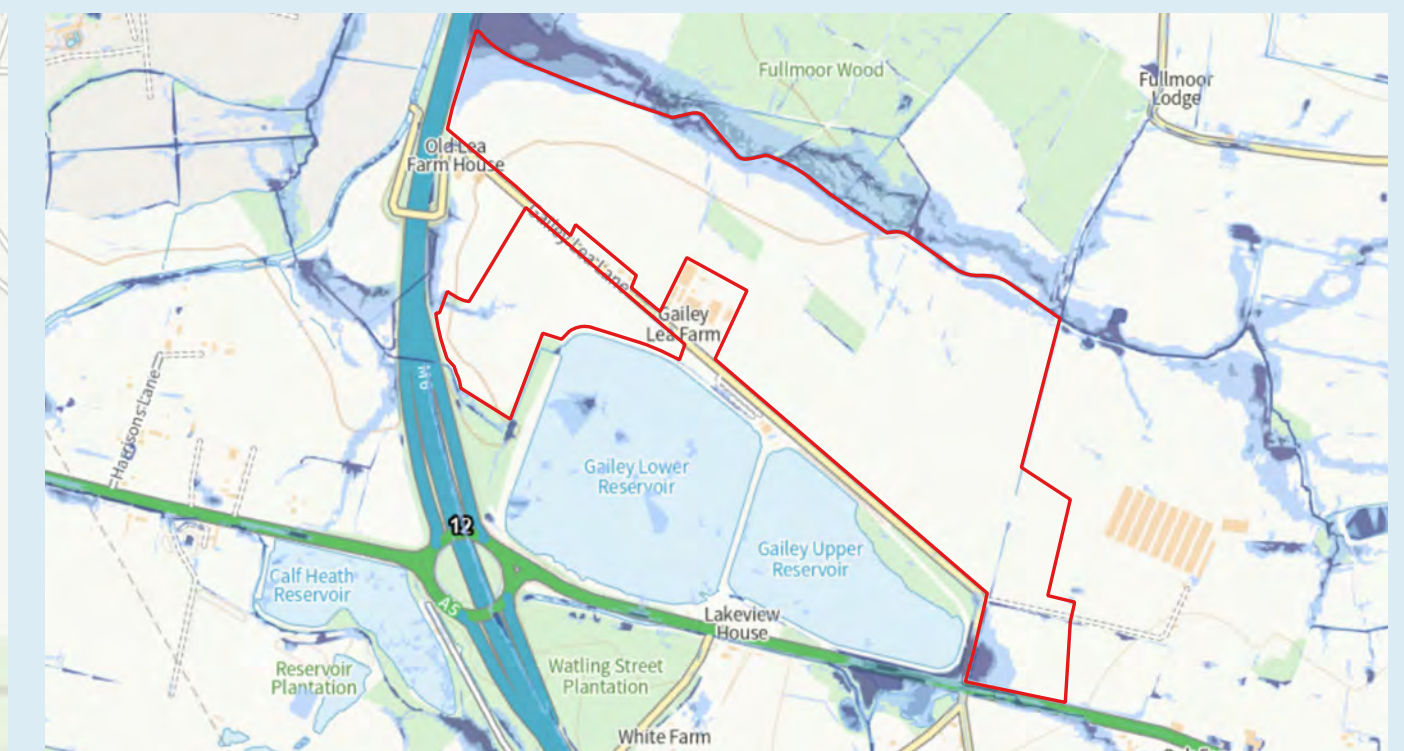
**3.48** Based upon a review of readily available information, flood risk from all sources is not thought to pose a significant risk to development.

**3.49** An Indicative Drainage Strategy will be produced to demonstrate how a drainage solution based upon infiltration could be achieved within the Site, in line with local and national guidance. This will address any existing surface water along the northern boundary.

**Fig 3.5: EA Flood Map for Planning**



**Fig 3.6: Extent of flooding from surface water**







SITE VISION





Fig 4.1: Illustrative Masterplan

# 4 SITE VISION

## Quantum

- 4.1 In light of the acute unmet need for employment land within the Black Country as set out in Chapter 2 to this document, a landscape-led, illustrative employment scheme is presented. This has been informed by site constraints and opportunities set out in Chapter 3 to this document.
- 4.2 **The Illustrative Masterplan incorporates:**
  - Approximately 2.35 million sqft gross of new employment floorspace provided across a variety of units of different sizes to provide genuine market choice. The illustrative scheme identifies units of approx. 5,200 sqft through to larger units of up to approx. 400,000 sqft.
  - Approximately 38 hectares of green infrastructure including new copse planting and Sustainable Drainage attenuation features.
  - All existing Public Rights of Way [PROW] and provision of new pedestrian/cycle links.
  - Sustainable Drainage Systems, to control surface water run-off at source, including the provision of attenuation basins as part of new multi-functional green infrastructure.

## Access Strategy

- 4.3 Access can be achieved via the A5 (Watling Street). Access junction with the A5 and potential revisions to Gailey Lea Lane to be discussed in detail with Staffordshire County Council and National Highways in due course
- 4.4 It is considered that a similar signalised junction layout to the Vicarage Road junction with the A5 will be deliverable within this location, to be designed in accordance with DRMB and cognisant of the existing layby and highway network operation.

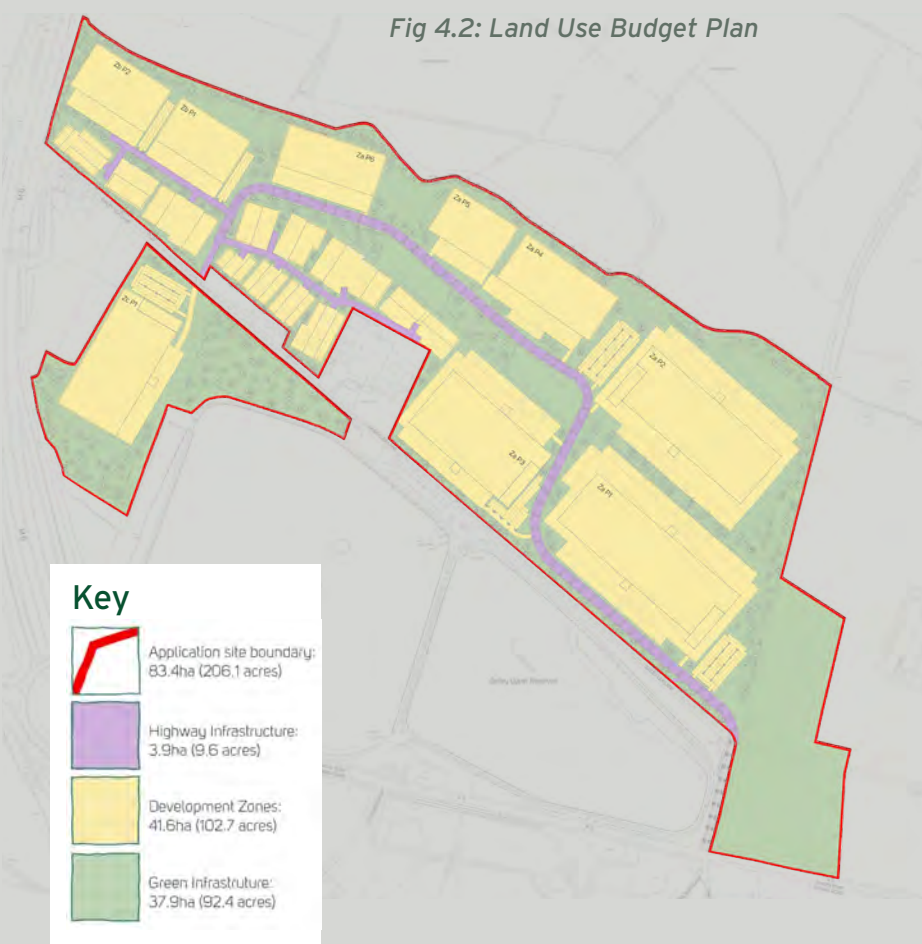


Fig 4.2: Land Use Budget Plan

## Landscape and Visual Strategy

- 4.5 The surrounding landscape is changing; with the consented WMI and freight rail terminal soon to be constructed, it is considered that the site would be suitable for Green Belt release without significant harm to the receiving landscape. With careful mitigation, potential landscape and visual impacts can be mitigated against at an early stage. The illustrative masterplan has been informed by the following key features:
  1. A minimum 15m buffer is provided to the ancient woodland designation (Fullmore Wood). Subject to agreement with the

- ecologist, treatment may result in a non-intervention area to reduce disturbance on adjoining woodland. A woodland edge and scrub layer could be created.
2. Enhancement of the existing hedgerow boundaries is provided to improve visual enclosure. This could include 15-20m wide planted bunds, enabling the height of the proposed development to be more successfully filtered from surrounding viewpoints. The existing PROW is integrated within this buffer.
3. Additional woodland planting has been included to filter views towards the proposed vehicular entrance off the A5. Such features are characteristic and would strengthen the visual enclosure of the existing open farmland to the east.
4. An improved and widened vehicular entrance and landscaped margins is provided to assist in addressing the current damage to soft verges. The wide rural verges will be maintained with further opportunities for wildflowers explored.
5. Development off-set to Gailey Lea Lane incorporated to assist in retention of the existing hedgerow (which could be left to grow in height) and to maintain the rural character of the lane.
6. The central woodland copse is retained with improved connectivity in between through infill woodland planting, providing segregation of the site (to reduce the sense of scale) and to provide habitat linkage to Fullmore Wood to the north.
7. Glimpsed views north (between the proposed development parameter parcels) included towards the distant rising landscape.
8. New GI and landscaping incorporated within the west of the site.
9. Continuation of the existing roadside tree planting that segregates the site from the Gailey Lower Reservoir has been incorporated.





5

SUSTAINABLE DEVELOPMENT



# SUSTAINABLE DEVELOPMENT

- 5.1** The Framework is clear that the purpose of the planning system is to contribute to the achievement of sustainable development (Para 7). It goes on to state that “achieving sustainable development means that the planning system has three overarching objectives, which are interdependent and need to be pursued in mutually supportive ways” (Para 8); those being, economic, social and environmental.
- 5.2** In this context, Richborough Estates considers that the development of the Site would meet the Government’s overarching objective to achieve sustainable development by providing significant economic, social and environmental benefits.

## 1. Economic

- 5.3** The Framework paragraph 8(a) includes an ‘economic objective’ as the first overarching objective of the planning system, stating that “to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity”. To this end, the Site could:
- Contribute towards building a strong, responsive and competitive economy within South Staffordshire and across the FEMA, contributing towards the Government’s ‘levelling-up’ agenda at a critical juncture in the country’s economic performance;

- Bring several economic and fiscal benefits in terms of job creation and increased expenditure in the local economy, including:
  - Up to 2,521 full-time jobs;
  - Support an additional 731 full-time jobs indirectly through supply chains in the local area and employee spending;
  - Generate over £107m gross value-added [GVA] per annum; and,
  - Generate £5.5m in business rate revenue per annum.
- Could facilitate the expansion and improvement of the existing Roadking (Hollies) Truckstop on the A5 to address the limited supply of medium-high end Heavy Goods Vehicle [HGV] parking facilities and practical need 216 HGV spaces in the region, per the Department for Transport’s [DfT] ‘National Survey of Lorry Parking (2017)’ findings;
- Assist with meeting the Black Country’s emerging Draft Black Country Plan 2018-2039 objective of ‘Enabling a strong, stable and inclusive economy’. It would also support the development of key employment sectors and enable existing businesses to expand (SP7), as well as ensuring that communities share the benefits of economic growth through securing access to new job opportunities and enhanced skills and training programmes (SP8).

## 2. Social

- 5.4** The NPPF is clear that planning should “support strong, vibrant and healthy communities”. This also requires development to ensure access to local services that reflect the community’s needs and support its health, social and cultural wellbeing. To this end, the Site could:
- Help develop a strong, vibrant and healthy community by providing additional employment and training opportunities for residents of the Black Country by ensuring that the economic benefits and opportunities of the development are experienced by all sections of the local community;
  - Provide 2,521 full-time employment opportunities that are targeted at the local population of the Black Country;
  - Provide training opportunities for skilled and unskilled workers in the Black Country and the surrounding areas to improve unemployment levels and skill gaps;
  - Provide apprenticeship opportunities both during construction and operation phases, which provide an opportunity to improve high levels of unemployment and deprivation in the Black Country; and
  - Be landscape-led, with approximately 45% of the overall site being landscaped. The provision of on-site public open spaces, all of which could be used by staff for recreational activity, would encourage future employees to take walks during breaks which will enhance staff’s health and well-being and encourage human interaction.

## 3. Environmental

- 5.5** The Framework, at paragraph 8, recognises the ability of sustainable development to perform an environmental role in contributing to protecting and enhancing the built environment. It highlights the need to improve biodiversity, minimise waste pollution and the use of resources, together with adaptation towards climate change. To this end, the Site could:
- Deliver a high-quality, sensitive and sustainable development, which could utilise sustainable construction approaches to ensure adaptability to changes in the climate;
  - Include renewable and low carbon energy sources, such as solar photovoltaic panels, to ensure that the development would generate energy to meet part of the developments future energy requirements;
  - Be landscape-led scheme which incorporates compensatory improvements offset the harm from the Site’s removal from the Green Belt. This could include the planting of trees and vegetation along the Sites boundaries, building materials in muted colours to ensure they recede into the background;
  - Deliver habitat enhancement and improved biodiversity across the Site through the effective management of trees, hedgerows, open space provision and the implementation of attenuation ponds, wildflower meadows and swales to ensure that the Site delivers a 10% biodiversity net gain;
  - Deliver a small mixed-use area within the development to serve the workforce and mitigate and limit off-site trips on breaks;
  - Retain existing green capital through the retention of mature trees around the perimeter of the Site along with new tree planting within, and along the edges of the Site, to soften the appearance of the built form within the landscape; and
  - Implement attenuation ponds to allow for the most effective and efficient drainage for the Site whilst ensuring that the groundwater environment is protected.







6

SUMMARY



# 6

## SUMMARY

- 6.1** The Council is currently progressing a review of the Local Plan. This document is intended to comprehensively review the vision, strategic objectives, development requirements, spatial development strategy and policies for shaping detailed development proposals. An appropriate employment land requirement will need to consider the acute unmet need for employment land within the Black Country. Indeed, the Black Country has identified that they would not be able to meet c.210 hectares of their employment land need up to 2039, as established through the Black Country EDNA Update (August 2021).
- 6.2** Richborough Estates considers that the acuteness of the FEMA's employment needs shortfall constitutes exceptional circumstances for Green Belt release, recognising there are limited opportunities to deliver growth on other non-Green Belt land across the FEMA. As such a review of the Green Belt, and sites within it, would be entirely consistent with the Framework.
- 6.3** A review of the Site's performance against the five purposes of the Green Belt, concludes that the role the Site plays in respect of Green Belt purposes comprises a lesser role than that which relates to wider Parcel S2 contained within the South Staffordshire Green Belt Study and plays a weak/no role against a number of these purposes.
- 6.4** From a landscape sensitivity perspective, an assessment of the Site concludes that this would be comparable to the adjoining landscape which was assigned a Low Sensitivity to development judgement within the Council's evidence base. In addition, it should be recognised that development of the West Midlands Interchange and rail freight network will provide a strong developed influence to the Site.

- 6.5** The initial assessments on matters such as heritage, landscape, drainage, flooding and transport contained within this Promotional Document indicate that there are no overriding constraints which would restrict development in this location.
- 6.6** Land at Gailey Lea provides an opportunity to deliver approx. 2.35 million sqft gross of new employment floorspace provided across a variety of units of different sizes to provide genuine market choice and to assist in meeting an element of the identified unmet needs.
- 6.7** The illustrative Masterplan demonstrates the delivery of employment floorspace set within a strong green infrastructure and landscape framework, incorporating existing PRoWs, retaining existing and identifying additional woodland planting, and creating new pedestrian/cycle linkages.
- 6.8** Richborough Estates considers that the development of the site would meet the Government's overarching objective to achieve sustainable development by providing significant economic, social and environmental benefits.
- 6.9** Richborough Estates will continue to commission further surveys and other related work to refine the proposals for land at Gailey Lea. As part of this refinement process it is Richborough Estates' intention to engage with the Council and other stakeholders to discuss the range of issues associated with a employment proposal of this type.







Richborough  
Estates

T • 0121 633 4929  
E • [info@richboroughestates.co.uk](mailto:info@richboroughestates.co.uk)



**EVOLVE**  
PLANNING + DESIGN

T • 01785 556939  
E • [neil@evolvepad.co.uk](mailto:neil@evolvepad.co.uk)

Prepared by Evolve Planning & Design  
on behalf of Richborough Estates.

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Document ref EP042\_PromoDoc\_210322  
Contact: Neil Cox



# Appendix 3 Richborough's 2022 PP Representations

Celebrating  
**60**  
years

**South Staffordshire Local Plan  
Publication  
Representations on behalf of  
Richborough Estates**

**Land at Gailey Lea Farm**

Richborough Estates

December 2022

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## **Appendices**

Appendix 1    Employment Lands Need Assessment

Appendix 2    Economic Benefits Assessment

Appendix 3    Vision Document



## 1.0 Introduction

- 1.1 These representations to the South Staffordshire Local Plan Review Publication Plan (“the PP”) have been prepared by Lichfields on behalf of Richborough Estates Limited (“Richborough”).
- 1.2 We focus on the strategic employment matters that are contained within the PP consultation document and relate specifically to Richborough’s land interests at Land at Gailey Lea Farm, Gailey Lea Lane, South Staffordshire (“the Site”).
- 1.1 To this end, these representations are supported by an Employment Land Needs Assessment [ELNA] (Appendix 1), which provides a detailed critique of the South Staffordshire Council’s (“the Council”) proposed approach to addressing the District’s employment land needs and the unmet needs of authorities within the Functional Economic Market Area<sup>1</sup> [FEMA].
- 1.2 They are also supported by an Economic Benefits Assessment [EBA] (Appendix 2) that sets out the potential economic and fiscal benefits that could arise from developing the Site for a strategic B8 logistics facility capable of meeting both indigenous and wider strategic demand for ‘big box’ warehousing. Moreover, these representations build on Richborough’s previous representations to the Council’s Preferred Options [PO] and provides further evidence to support the need for the Council to allocate additional land within the Local Plan Review to address the unmet needs arising across the FEMA.
- 1.3 Importantly, these representations relate to Richborough’s interests at the Site only. Richborough is promoting other sites for residential uses within the District and has commented on non-employment-related matters in each set of respective representations where necessary.
- 1.4 In this regard, Richborough seeks to work constructively with the Council as it progresses towards the submission and adoption of the Local Plan Review to ensure that sufficient employment land has been allocated to meet these needs and trusts that the comments contained within this document will assist Officers in this regard. As previously advised, Richborough would be pleased to meet with the Council to discuss the opportunities presented by the Site.

## Plan-making to date

- 1.5 To date, the Council has consulted on an ‘Issues and Options Consultation’ (“IOC”) between 8 October and 30 November 2018, followed by the South Staffordshire Spatial Housing Strategy & Infrastructure Delivery (“the SHSID”) and the Infrastructure Delivery Plan 2019 [IDP] between 17 October until 12 December 2019.
- 1.6 The IOC did not define the Council’s preferred approach, but rather considered a range of five potential future spatial strategies to meet the Council’s preferred level of housing growth for the District up to 2037. Consequently, the SHSID sought views on how the Council’s housing target could be best planned for through a variety of Spatial Housing Options to distribute housing growth across the district.

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<sup>1</sup> Comprising South Staffordshire, Wolverhampton, Walsall, Dudley, Cannock Chase and Stafford.

- 1.7 This was followed by the PO consultation from November to December 2021, which set out an infrastructure-led strategy, and proposed site allocations to meet the district's (*inter alia*) housing needs. The Council is now undertaking a consultation on the PP, which asks for views on the legal soundness of the Council's PP and the policies within it.

## **Proposals for the Site**

- 1.8 As the Council will be aware, Richborough is proposing a new high-quality employment site at Land at Gailey Lea Farm (Site Ref: E58a and E58b). The Site is ideally located to capitalise on the approval of the adjacent West Midlands Interchange [WMI] – separated by the M6 – and therefore its proximity to both the Strategic Road Network [SRN] and Strategic Railfreight Interchange [SRFI]. The WMI will have a significant urbanising impact on the Green Belt land surrounding it and will – importantly – heighten the importance of Junction 12 of the M6 as an SRN junction for HGV vehicles travelling to and from the WMI.
- 1.9 The WMI SRFI, located west of Junction 12 of the M6, will connect to the West Coast Main Line, one of the country's principal rail freight routes. The primary role of the SRFI is to provide new rail-served and rail-linked warehousing allowing the West Midlands, the Black Country, Staffordshire and Birmingham's important logistics industry to grow. Importantly, the SRFI will be an open-access intermodal terminal, operated by an independent service provider, but open to all users and train operators. This will enable other employment sites within the District to capitalise on this modal shift of freight within the area. It is clear that the WMI will play a crucial role in the wider region's economic future and is likely to draw significant interest from regional and national businesses within the area.
- 1.10 In this regard, the Site is ideally located in an area that will appeal to regional and national companies looking to capitalise on the opportunity and connections presented by the recently approved WMI, whether that be manufacturers, or rail-linked storage and warehousing. As such, Richborough's 'Vision' for the Site comprises a high-quality, sustainable, attractive and accessible development, complementing the existing WMI in the area. In this context, Richborough has prepared a Vision Document which was submitted in April 2022 in support of Richborough's earlier Call for Sites submission in December 2021 – a copy of this Vision Document is appended to the representations accordingly (Appendix 3).

Figure 1.1 Indicative Masterplan



Source: Richborough Estates

- 1.11 The indicative masterplan that has been prepared demonstrates how the Site could deliver approximately c.228,000 square meters [sq. m] of high-quality B8/Logistics floor space, together with attractive open space, other supporting infrastructure and a visual buffer of planting along the northern Site edge to create a defensible boundary.
- 1.12 Importantly, Richborough considers that the release of the Site from the Green Belt, and allocation of the site for employment in the emerging Local Plan Review, would unlock the Site’s position along this key employment corridor on the SRN and next to the open-access SRFI and secure long term success and economic growth in South Staffordshire and across the FEMA more widely.

## The Benefits

- 1.13 The National Planning Policy Framework (2021) [NPPF] is clear that the purpose of the planning system is to contribute to the achievement of sustainable development (Para 7). It goes on to state that “*achieving sustainable development means that the planning system has three overarching objectives, which are interdependent and need to be pursued in mutually supportive ways*” (Para 8); those being, economic, social and environmental.
- 1.14 In this context, Richborough considers that the development of the Site would meet the Government’s overarching objective to achieve sustainable development by providing significant economic, social and environmental benefits. Further details in relation to these benefits are set out below:

## **1. Economic**

- 1.1 An EBA has been prepared and is submitted alongside these representations (Appendix 2). The EBA has assessed the potential economic benefits of Richborough's proposals for the Site. It considers that the strategic development site has the potential to help support a range of economic aspirations at the local and sub-regional level, particularly in terms of meeting the District's future growth needs and contributing towards meeting the unmet needs of the Black Country Authorities [BCAs].
- 1.2 Logistics is a key employment sector and an enabler of economic activity. The sector has an average annual growth rate of 4.0% nationally and 5.1% in the West Midlands and increasingly supports a wide range of jobs across different skill levels.
- 1.3 The District has strong economic and demographic fundamentals to support employment growth in the sector. The District's working-age population is expected to decline compared to the projected growth regionally and nationally up to 2040. A strategic development such as the proposal at Gailey Lea is therefore crucial to reverse the decline in the working-age cohort and ensure the District can attract workers with greater economic capital. The District also has a successful labour market in general, although current economic conditions have seen unemployment begin to rise.
- 1.4 Wages in the logistics sector are above the all-sector average both nationally and within the West Midlands. Wages in the sector are also growing in the West Midlands at a faster pace than they are nationally.
- 1.5 Whilst South Staffordshire itself is not deprived, the LSOA containing the proposed development is in the top 40% of the most deprived LSOAs in England. There are also significant pockets of severe deprivation in nearby Wolverhampton, Walsall, Sandwell as well as Dudley, which would serve as potential sources of labour for the proposed development.
- 1.6 The delivery of the proposed development, therefore, offers an opportunity to extend the existing highly successful logistics offer within the West Midlands and create a critical mass of high-value business activity in the northern part of the District.
- 1.7 The proposed development will deliver just under 240,000 sqm of new warehousing floorspace and would generate a range of direct and indirect economic impacts that would support future growth in the District, as well as the wider sub-regional economy. The quantifiable economic effects of the proposed employment development are set out below

Table 1.1 Economic Impacts of Employment Development at Gailey Lea, South Staffordshire

	Proposed Development
<b>QUANTUM OF DEVELOPMENT (GEA)</b>	
B8 floorspace (sqm)	239,479
Capital Investment	£135.0 million
Direct Construction FTE Jobs p.a.	186
Indirect & Induced FTE Jobs Supported p.a.	207
Total Direct & Indirect GVA p.a.	£28.1 million
<b>OPERATIONAL IMPACTS</b>	
Direct FTE Jobs	2,521
Net Additional Direct FTE Jobs (Local)	2,439
Net Additional Direct FTE Jobs (Regional)	1,815
Direct GVA p.a.	£117 million
<b>FISCAL IMPACTS</b>	
Business Rates Payable (gross annual)	£4.904 million

Source: Lichfields Analysis

1.8 The need case for the proposed development relates to both the requirement to cater for the demands of the industry to address the shortfall in available logistics space within the District and across the FEMA as a whole and the overwhelming policy support for the principle of further warehousing development in the area.

1.9 The EBA concludes that the proposed development site represents a key strategic location with excellent opportunities for growth based on the substantial economic potential of the area, which will help to balance the spatial distribution of economic growth in Greater Birmingham and help to meet unmet needs for strategic industrial warehousing across South Staffordshire’s FEMA (most notably the BCAs).

## 2. Social

1.10 As noted above, by virtue of the Site’s proximity to the Black Country, it would make a logical employment site to meet the acute unmet employment land needs arising from the Black Country. Alongside higher than average levels of deprivation, the area also suffers from significant service and demographic pressures including lower rates of physical activity and higher rates of obesity than the rest of England, children living in poverty and unemployment than the average for England and teenage conception. Employment levels are comparatively low as a result of this poor health and well-being.

1.11 In this regard, the development of the Site would help develop a strong, vibrant and healthy community by providing additional employment and training opportunities for residents of the Black Country. The proposal could support inclusive growth within the Black Country emanating from those residents, ensuring the economic benefits and opportunities of the development are experienced by all sections of the local community (SP8).

1.12 The future operation of the Site is estimated to:



- Provide 2,521 full-time employment opportunities that are targeted at the local population of the Black Country;
- Provide training opportunities for skilled and unskilled workers in the Black Country and the surrounding areas to improve unemployment levels and skill gaps;
- Provide apprenticeship opportunities both during the construction and operation phases, which provide an opportunity to improve high levels of unemployment and deprivation in the Black Country.

### **3. Environmental**

- 1.13 The Site is currently in use as grazing land and is of limited ecological value. A key part of the vision for the Site is to enhance its ecological value. The proposals for the Site could provide green infrastructure corridors and enhanced areas of green spaces throughout the Site, alongside further bespoke planting and landscaping.
- 1.14 The Site could also support the facilitation of the modal shift in freight from road to rail that the WMI presents, by ensuring the co-dependent uses are co-located around the WMI, thereby further reducing the need for road freight and playing an important part in the move to a low carbon economy.
- 1.15 The Site could provide significant areas of green open space which can be enhanced for wildlife, particularly along the northern boundary. Significant open space is provided to the northeast of the Site which creates an opportunity to provide enhanced ecological features, creating a range of semi-natural habitats such as wildflower meadows, scrub, woodland and wildlife ponds next to the Fullmoor Wood Ancient Woodlands. It is anticipated that throughout the development; grassland areas, hedgerows, treelines and water bodies including Sustainable Urban Drainage Systems [SuDS] features could be provided to enhance the Site for wildlife that could support biodiversity net gain on the site.

### **Structure**

- 1.16 These representations are structured around the policies set out in the PP consultation, these being:
- Policy DS4: Development Needs; and
  - Policy DS5 – The Spatial Strategy to 2039.

## 2.0 Areas of Response

- 2.1 Richborough's response to the PP is set out below, using the draft policies contained in the PP document for continuity.

### Policy DS4: Development Needs

- 2.2 The NPPF is clear that development plans “*must include strategic policies to address each local planning authority's priorities for the development and use of land in its area*” (Para 17). The NPPF also requires plans to contain strategic policies which should, as a minimum, provide for objectively assessed needs for housing and other uses and those that cannot be met within neighbouring areas (Para 11b). In the context of employment land, the NPPF emphasises the importance “*on the need to support economic growth and productivity*” (Para 81) and is clear that planning policies should “*seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment*” (Para 82c).
- 2.3 In this regard, draft Policy DS4 (Development Needs) sets out the Council's proposed (*inter alia*) employment land requirement for the plan period up to 2039, which includes a contribution towards meeting the unmet employment land needs of the BCAs. In particular, the draft policy states that the Council will deliver a minimum of:
- “99 ha of employment land over the period 2020-2039 to ensure that South Staffordshire's identified need for employment land of 63.6 ha is met, as well as making available a potential contribution of 36.6 ha to the unmet employment land needs of the Black Country authorities. 18.8 ha of WMI will contribute towards South Staffordshire's employment land supply with an additional minimum 67 ha available towards the unmet employment land needs of the Black Country authorities, which may increase depending on the employment land position of other local authorities in the site's market area. The remaining land supply of WMI will be considered with related authorities through the Duty to Co-operate.” (Emphasis added)*
- 2.4 The draft policy is underpinned by the ‘Economic Development Needs Assessment 2020-2040 (June 2022)’ (“the 2022 EDNA”), prepared by SPRU, which updates the Council's previous employment needs evidence set out in the ‘South Staffordshire EDNA Part 1 (August 2018)’ (“the Stage 1 EDNA”) and the ‘South Staffordshire EDNA Part 2: Economic Land Availability Assessment (“the Stage 2 EDNA”)
- 2.5 Notably, the purpose of the 2022 EDNA was to have regard to changes in employment projections, including as a result of Brexit and Covid. In addition to this, the 2022 EDNA undertook an analysis of the impact of WMI on the district, the likely split between strategic and non-strategic employment land supply, the scale of unmet employment needs from the wider FEMA that South Staffordshire sits within and considers the issue of strategic employment delivery across the wider West Midlands region. Notably, it concluded that:
- 1 When adjusting the Experian forecasts to arrive at a ‘Local Enterprise Partnership [LEP] based Growth Scenario’, and following a series of further adjustments (e.g., building in plan flexibility such as projected employment losses), the Council's objectively assessed employment land need totals 63.6 ha up to 2040;

- 2 Based on the jobs generated by the WMI and the Travel to Work Area, job take-up of this level of employment in the sector by South Staffordshire residents would equate to 18.8ha of WMI. This would contribute towards the District's supply of employment land to meet the projected demand; and
- 3 Of the supply of employment land at the base date of April 2020 (99 ha), when split between strategic and non-strategic employment land and when accounting for the supply/demand balance specifically for strategic sites, it concluded that c.36 ha (excluding WMI) was considered surplus strategic employment land that could reasonably be attributed to cross-boundary unmet needs.

The PP also comments on the scale of unmet employment needs from the wider FEMA that South Staffordshire sits within. The PP highlights that Cannock Chase is likely to meet all of its 50 ha need within its own boundaries, whilst the same is likely to be true (albeit for a higher figure) in Stafford Borough (Para 5.60). However, the PP highlights that BCAs are only able to deliver 355 ha of its overall need for 565 ha, leaving a shortfall of 210ha (Para 5.61); albeit goes on to note that BCAs identified their proportionate share of the WMI as 67 ha in the 'West Midlands Strategic Rail Freight Interchange Employment Issues Response Paper – Whose needs will the SRFI serve? (February 2021)' ("the SRFI study"). When coupled with the Council's purported 36.6ha surplus of strategic employment land means that 103.6 ha of employment land in South Staffordshire is available for strategic cross-boundary unmet needs from the BCAs, subject to an agreement through a Statement of Common Ground (Para 5.62).

- 2.6 In the context of the above, as the Council will be aware, Richborough raised specific concerns regarding the robustness of the Council's Stage 1 and Stage 2 EDNAs on the basis that they were markedly out-of-date and did not include any meaningful allowance for the implications of Covid-19 and Brexit on strategic, big box logistics which are seriously under-represented in the past trends data by virtue of the assessment being undertaken in 2018. Moreover, Richborough raised concerns regarding the Council's approach to addressing the unmet employment needs of the BCAs, as it was felt that it failed to grapple with the necessary strategic FEMA-wide approach needed to meaningfully deal with this matter.
- 2.7 In this regard, the fact that the Council has commissioned up-to-date evidence on employment land needs is welcomed, as is the relatively positive market commentary in that document. Furthermore, Richborough welcomes the Council's commitment to contributing a proportion of its employment land supply to meet the wider unmet needs of the BCAs and the recognition that the WMI makes a much wider contribution to strategic logistics requirements across the region.
- 2.8 However, notwithstanding the above, Richborough has concerns regarding the methodological approach taken by the 2022 HEDNA in arriving at the District's objectively assessed employment land need totals 63.6 ha up to 2040 and its approach to apportioning the WMI, amongst other things. As such, Richborough has the below comments on draft Policy DS4, and the evidence base underpinning it, which it is considered would need to be addressed by the Council to ensure the policy is robust and sound:

## 1. The Council's Employment Needs Evidence Base

- 2.9 The NPPF is clear that Local Plans should be underpinned by relevant and up-to-date evidence, which should be adequate and proportionate, focused tightly on supporting and justifying the policies concerned (Para 31). To be found 'sound', it is also clear that Local Plans should be 'justified' and be based on an appropriate strategy, taking into account the reasonable alternatives, and based on proportionate evidence (Para 35b).
- 2.10 As noted above, Richborough welcomes the fact that the Council commissioned up-to-date evidence on employment land needs. However, we disagree with the 2022 HEDNA's conclusions on the District's objectively assessed employment needs and consider that the objectively assessed need forecast, of 63.6 ha over the period 2020-2040, is inadequate to address the pent-up demand and risks suppressing the District's economy for years to come. A detailed critique of the Council's 2022 EDNA is set out in the supporting ELNA (Appendix 1), however, in summary, Richborough considers that:
- The objectively assessed need forecast, of 63.6 ha over the period 2020-2040, is inadequate to address the pent-up demand and risks suppressing the District's economy for years to come. Furthermore, the provision of 36.6 ha and the WMI represents a 'proportionate' contribution to meeting wider unmet needs across the FEMA. The calculation is excessively complicated and relies on mixing and matching projections;
  - The 2022 EDNA's employment land calculations are not robust and Richborough considers that a more aspirational approach ought to have been progressed. In particular, there are inconsistencies/errors in the modelling and clear omissions in the modelling (particularly relating to the exclusion of a vacancy adjustment, the lack of a margin of choice in the past completions scenario, the scale of loss replacement and the adjustment for homeworking) that would increase the overall requirement significantly;
  - The completions trend scenario significantly underplays the true scale of need by excluding a margin of choice and the substantial levels of strategic sites that have come forward in recent years;
  - Logistics is under-represented in the modelling and the forecasting does not reflect the substantial recent growth in the sector in recent years nor the market intelligence which points to identified shortfalls in available industrial floorspace in South Staffordshire of all sizes and unprecedented demand for large logistics in this prime location;
  - The Growth Scenario is not aspirational enough and should apply a percentage growth rate to the District-level figure. The current approach actually suppresses logistics needs compared to recent trends;
  - The WMI is an important contributor to wider strategic needs, but it is not the role of this 2022 EDNA to attempt to quantify how much of its land actually contributes to the needs of the South Staffordshire District – this has already been calculated consistently for the wider region.<sup>2</sup> The resultant figure, of 5 ha, is far below the 2022 EDNA's 18.8 ha calculation which appears flawed in certain respects;

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<sup>2</sup> Stantec (February 2021): West Midlands Strategic Rail Freight Interchange Employment Issues Response Paper – Whose need will the SRFI serve?

- SPRU’s approach to calculating strategic needs assumes that the Experian-led econometric Growth Forecast factors in all of the strategic requirements, when this is simply not the case – the very modest addition of 44 jobs per annum to uplift the Transport & Storage sector growth is inadequate to meet likely future growth needs and should be significantly in excess of that figure;
- The 2022 EDNA’s identification of 36.6 ha unmet need contribution from the current supply is unfounded. The calculation is based on past trends completions that do not include ‘true’ strategic take up from Jaguar Land Rover, Amazon and Gestamp, and bakes in strategic needs of just 0.2 ha of B8 logistics;
- Fundamentally the 2022 EDNA does not model the strategic employment land needs of the FEMA as a whole and then attempts to justify South Staffordshire’s contribution. That should be the remit of a wider strategic study. Until that exercise is completed, it cannot be said with conviction that 36.6 ha plus the WMI represents a ‘proportionate’ contribution to meeting wider needs across the FEMA;
- Even if it were accepted that the Council could distribute some of the employment land arising from the WMI to other authorities, there would still be an acute unmet need for employment land within the FEMA. Other studies referenced in supporting ELNA suggest that there is an unmet need for 73.64 ha for Birmingham City (potentially rising to 98 ha if certain adjustments are made) and between 212 and 232 ha of employment land for the Black Country (falling to 140-153 ha taking into account Shropshire’s contribution and the WMI); and
- The Avison Young /Arcadis ‘West Midlands Strategic Employment Sites Study – Final Report (2021)’ [WMSESS], published in May 2021, concludes that there is an urgent need to identify a pipeline of new Strategic Employment Sites across the region to meet needs beyond the 7.41 years (or less) of supply that exists in allocations and committed sites. For the Black Country and South Staffordshire ‘key location’, this increases to 8.17 years. Excluding industry-promoted sites without an allocation, this falls to just 3.23 years for Area 4 which South Staffordshire is located within.

2.11 To this end, Lichfields, on behalf of Richborough has undertaken an independent assessment of the future economic growth requirements across the District to inform the floorspace requirements that will likely flow from these growth needs over the period 2020-2040. Crucially, this is because it is considered that the 2022 EDNA’s uplift to the econometric forecasts is insufficient to fully reflect an aspirational level of growth in line with the LEP-based growth sectors and in particular the future growth prospects of the logistics sector.

2.12 It is important to note that this analysis has, where appropriate, attempted to mirror the 2022 EDNA’s approach to flag up correctable errors in the methodology. However, Richborough reserves the right to undertake further detailed econometric modelling in due course once further up-to-date information becomes available.

2.13 In any event, Lichfields’ assessment of the District’s employment land needs has made adjustments to the baseline Experian forecasts, factoring in adjustments to the vacancy rates, the margin of choice, loss replacement and uplifting the growth sectors by the Compound Annual Growth Rates [CAGR]. These methodological changes result in a significant increase in the requirement when compared to the conclusions of the 2022



EDNA. Indeed, the Experian baseline starting point would equate to 52 ha, rising to 115 ha if suitable adjustments are made to allow for success in attracting jobs based on the LEP's growth sectors and logistics. The equivalent figures would increase to between 96 ha and 160 ha if a higher margin of choice is factored in to reflect strategic site delivery.

- 2.14 On the face of it, Lichfields' alternative assessment sounds like considerable uplift; however, it is important to bear in mind that 385,752 sqm was completed in just 8 years between 2012/13 and 2019/20, which would equate to 96.44 ha, or around 90% of the 20-year Growth Scenario target (i.e. 106 ha). This is primarily due to the delivery of three very large inward investment developments of Amazon/Gestamp at the Four Ashes site and the floorspace delivered at JLR at the 154 Business Park.
- 2.15 By way of comparison, Lichfields also assessed past completions to provide an appropriate alternative scenario to forecasting future employment land requirements. For South Staffordshire, and based on the past Take Up Scenario, a minimum figure of around 80 ha would be needed to meet its indigenous needs, based on a continuation of past trends. If the District's recent success in attracting substantial levels of inward investment from elsewhere in the sub-region (and beyond) is maintained, however, then a much higher amount of employment land should be provided. A figure of 257 ha would provide sufficient land to accommodate a continuation of inward investment and could assist in meeting some of the unmet needs of adjoining Districts, plus a suitable allowance for flexibility.
- 2.16 Whilst it is not suggested that the 257 ha represents South Staffordshire District's indigenous needs; nevertheless, it is an indication of the scale of demand that could be sustained in the District if strategic, footloose employment land demands are fulfilled here. Moreover, the upper end of the past Take Up Scenario range, at 257 ha, seems large for a District of South Staffordshire's size but reflects the opportunities on offer in the District and the potential to accommodate substantial levels of unmet need from adjoining areas such as the Black Country.
- 2.17 In this context, it should be noted that Experian-based figures are for the indigenous needs of South Staffordshire, and do not make any provision for the unmet strategic industrial / warehousing needs of adjoining Districts (i.e. the FEMA), which would be in addition to the figures. As such, Richborough considers that Lichfields' analysis sets out a policy-driven, pro-growth vision for South Staffordshire District that is not addressing unmet needs from adjoining districts in any substantive way. As a result, any unmet need from the Black Country / Birmingham or elsewhere in the West Midlands would need to be additional to this requirement.
- 2.18 In conclusion, as set out above and in more detail in Lichfields' ELNA (Appendix 1), the Council's 2022 EDNA recommendation that South Staffordshire District's objectively assessed need for employment land totals just 63.6 ha up to 2040 does not bear scrutiny. Fundamentally, Richborough disagrees with the 2022 EDNA's conclusions and considers that the objectively assessed need forecast, of 63.6 ha over the period 2020-2040, is inadequate to address the pent-up demand and risks suppressing the District's economy for years to come.
- 2.19 As shown by Lichfields' modelling, which mirrors the 2022 EDNA's approach but makes more appropriate uplifts, it is likely that District's indigenous employment land needs for the plan period 2020-2040 equate to c.115 ha (i.e. the Growth Scenario), or 160 ha if a

higher margin of choice is factored in to reflect strategic site delivery. As such, when set against the Council's purported forward supply of 99 ha, it is clear that the Council's current approach would be insufficient to address the needs of the District, let alone make a meaningful contribution towards addressing the unmet needs of the FEMA or wider West Midlands Region.

## **2. Addressing the general employment needs of the FEMA**

- 2.20 In addition to the above, alongside addressing the Council's own employment needs, the NPPF is clear that plans are required to contain strategic policies which should, as a minimum, provide for the employment needs that cannot be met within neighbouring areas (Para 11b). Furthermore, as required by the NPPF, LPAs are under a duty to cooperate [DtC] with each other, and with other prescribed bodies, on strategic matters that cross administrative boundaries (Para 24). Indeed, for Local Plans to be found 'sound', they must demonstrate that they are based on "*effective joint working on cross-boundary strategic matters that have been dealt with rather than deferred*" (Para 35c).
- 2.21 In this context, it is noted that the 2022 EDNA concluded that the FEMA includes South Staffordshire, Wolverhampton, Walsall, Dudley, Cannock Chase and Stafford. This conclusion supersedes the Stage 1 EDNA's FEMA, which didn't include Stafford. However, as set out in the supporting ELNA, Lichfields agree with this conclusion. As the Council will be aware, across the FEMA each of the constituent authorities is currently preparing their respective Local Plans and associated evidence. Indeed, it is explicitly recognised within the PP, whilst Cannock may be able to meet its employment land needs (Para 5.60), the BCAs have identified a shortfall of 210ha (Para 5.61). In this regard, it is noted that the Council has indicated in the draft policy that it will contribute a minimum of 67ha from the WMI alongside the Council's identified 36.6 ha surplus of employment land, totalling 103.6 ha (Para 5.62).
- 2.22 On the face of it, and notwithstanding Richborough's comments on the Council's 2022 EDNA above, it is important to note that Richborough welcomes the Council's increased contribution towards addressing the BCAs unmet needs, above the c.19 ha proposed within the PO. It is entirely logical, and indeed necessary, for the Council to seek to address the unmet employment needs of the FEMA, and in particular the BCAs. It is plain to see that the Local Plan Review will need to assist the BCAs in meeting their unmet employment needs up to 2039 at the very least, given that other FEMA authorities may not be able to, or lack the SRN connections and links to the forthcoming WMI.
- 2.23 Whilst it is noted that the BCAs are no longer proceeding with the joint Black Country Plan Review [BCPR], Richborough notes that these acute unmet needs will still need to be addressed and each of the BCA authorities will still require assistance separately. It is therefore entirely logical to continue to assist the Black Country Authorities in meeting their cumulative needs up to 2039. Again, in this context, Richborough welcomes the Council's commitment in the PP to address these needs.
- 2.24 However, as set originally out in Richborough's PO representations, Richborough still has significant concerns regarding the fragmented approach currently being progressed, as each of the authorities is generally seeking to address their own needs in relative isolation. Fundamentally, this approach does not align with the NPPF (Para 35c) and runs the risk of not meeting the FEMA's employment needs and comprising economic growth across the

area. Indeed, as shown in the ELNA and above, a more robust and realistic assessment of the District’s objectively assessed employment need would reduce the Council’s purported surplus of employment land, therefore reducing the Council’s contribution.

2.25 As the Council will be aware, the BCA’s EDNA, namely the Black Country Economic Development Needs Assessment [BCEDNA] which was initially published in 2017 and subsequently updated in 2021<sup>3</sup>, identified a total employment land requirement of 565-585 ha against a supply of 353 ha, resulting in an undersupply of between 212 and 232 ha of employment land over the next planning period. However, it should also be noted that all of the 212-232 ha of employment land need to be exported is industrial (manufacturing and logistics). It also reports that 121-134 ha of that need may already be met, as shown in the table below:

Table 2.1 Contributions to Black Country Unmet Need

Outside the Black Country / External Contributors	Estimated Supply
South Staffordshire Surplus (as per EDNA)	19 ha
West Midlands Interchange apportionment	72-94 ha
Shropshire (Regulation 19 Plan)	30 ha
TOTAL	121-134 ha

Source: Black Country Economic Development Needs Assessment (EDNA) Update, August 2021, Figure 4.2

2.26 This makes provision for 19 ha of South Staffordshire’s surplus, as identified in the PO, as well as between 72 and 94 ha from the WMI (although this may be an error, given that the 72 ha referred to comes from the SRFI Study, which includes 5 ha from South Staffordshire in the 72 ha figure – hence the Black Country contribution is actually 67 ha). In essence, this means that even with the aforementioned contributions and apportionment of the WMI, there is still the potential for between 78 ha and 111 ha of unmet needs that must be found elsewhere in the FEMA. Furthermore, none of the potential contributions in the table is part of an adopted plan yet – indeed, as shown above, the Council’s currently proposed contribution of surplus land may be reduced.

2.27 Notwithstanding Richborough’s concerns regarding the 2022 EDNA’s calculations for the District’s needs, the supporting ELNA also sets out serious concerns with the Council’s approach to deriving its proposed employment land ‘contributions’ towards addressing the BCAs unmet needs. These relate to the derivation of the 36.6 ha of surplus land, as well as the Council’s revisiting of the apportionment of the WMI. A detailed critique of these elements of the 2022 EDNA is set out in the supporting ELNA, however, in summary:

- 1 **Surplus 36.6 ha strategic land contribution:** The 2022 EDNA concludes that 36.6 ha comprises a reasonable minimum indicator of supply that is not attributed to findings of the Growth Scenario or trends in past take-up (discounting the role of significant atypical schemes such as the investment by JLR), that can theoretically contribute to meeting the unmet needs of neighbouring authorities, excluding the WMI.

However, the calculation is based on past trends completions that do not include ‘true’ strategic take up from JLR, Amazon and Gestamp, and bakes in strategic needs of just 0.2 ha of B8 logistics. Mixing and matching the various scenarios, combining the

<sup>3</sup> Warwick Economics & Development for Black Country Authorities, Black Country Economic Development Needs Assessment, Stage 1 Report, May 2017, and Update, August 2021

Cambridge Econometrics/Experian/Growth Scenarios and factoring in the past take up as well ensures that SPRU is not comparing like with like and in all probability results in a considerable amount of double counting. Perhaps most fundamentally of all, it does not actually seek to model the strategic employment land needs of the FEMA as a whole and then attempt to justify the Council's contribution (factoring in the physical ability of the other districts to accommodate the remainder of that need). As such, on basic principles, we disagree with the Council's proposition, as we do not see how the 2022 EDNA (and by extension the Council) can conclude that the District is making a 'proportionate' contribution to the unmet needs of neighbouring authorities when it has not defined the scale of unmet strategic need across the FEMA in the first place; and

- 2 **The apportionment of the WMI to South Staffordshire:** Whilst the Council could make provision for its strategic employment land oversupply to meet the needs of the BCAs, it is not necessarily within the Council's gift to apportion the WMI to neighbouring authorities as it sees fit. As acknowledged by the 2022 EDNA (Para 0.49), the WMI will play a regional role. In this regard, the Council has elected to revisit the SRFI Study to seek to apportion a greater share of the WMI to the District, than set out in the SRFI Study. Indeed, notably, the SRFI Study concluded that the Council's share was 5 ha; however, the 2022 EDNA concludes that it is 18.8 ha. In this regard, as set out in the ELNA, Lichfields considers that the 2022 EDNA applies several complex and counter-intuitive methodological adjustments to justify both the relationship of the WMI to Land Requirements for the Transport & Storage sector and secondly to measure the supply/demand balance on Strategic sites.

2.28 However, Richborough also notes that whilst Birmingham does not fall within the FEMA, and nor South Staffordshire in the Birmingham FEMA, the recent Birmingham HEDNA (April 2022) concluded that "*there is also a case to be made for South Staffordshire to be included in this definition due to its close links to the Black Country*" (Para 2.6). In this regard, the Birmingham HEDNA informed Birmingham Issues and Options consultation, which confirmed an unmet need for 73.64 ha to be found through the preparation of the Plan. Albeit, when adjusting the Birmingham HEDNA to reflect the margin of choice, the correct overall figure of unmet need would rise to 97.77 ha which would have to be found elsewhere. In this context, it is clear that South Staffordshire District may also have a part to play in addressing this need over and above the WMI contribution.

2.29 It should also be noted that the NPPF explicitly requires that "*Planning policies and decisions should recognise and address the specific locational requirements of different sectors. This includes making provision for...storage and distribution operations at a variety of scales and in suitably accessible locations*" (Para 83). The PPG also recognises that the logistics industry has distinct locational requirements that need to be considered in formulating planning policies (separately from those relating to general industrial land):

*"Where a need for such facilities may exist, strategic policy-making authorities should collaborate with other authorities, infrastructure providers and other interests to identify the scale of need across the relevant market areas."* (PPG ID: 2a-031)

- 2.30 The PPG<sup>4</sup> indicates that this assessment can be informed by engagement with logistics occupiers, analysis of market signals and economic forecasts; engagement with LEPs and their plans and strategies, including economic priorities within Local Industrial Strategies. Accordingly, the PPG identifies that:
- “Functional economic market areas can overlap several administrative areas so strategic policy-making authorities may have to carry out assessments of need on a cross-boundary basis with neighbouring authorities within their functional economic market area.” (PPG ID: 2a-025)*
- 2.31 The PPG is clear that only once this evidence has been compiled, *“strategic policy-making authorities will then need to consider the most appropriate locations for meeting these identified needs (whether through the expansion of existing sites or development of new ones).”<sup>5</sup>*
- 2.32 It is also, therefore, worth reflecting on the wider regional logistics market and the role that South Staffordshire has within it. To this end, the WMSESS analysed take-up rates in the industrial and office markets in the region over the period 2015-2018 and undertook an audit of existing allocated and committed sites in the Study Area; albeit, it did not quantify future needs and instead undertook a high-level assessment as to the extent to which certain locations/sites might be able to contribute to identified shortfalls in supply. Importantly, the WMSESS identifies five key clusters of sites, three of which cover the South Staffordshire District, and considers that the focus for identifying strategic employment sites should be in the ‘Key Locations’.
- 2.33 However, in general, the report concludes that based on the ‘past trends’ approach, there is a limited supply of available, allocated and/or committed sites across the Study Area that meets the definition of ‘strategic employment sites’, and an urgent need for additional sites to be brought forward to provide a deliverable pipeline, noting the very substantial lead-in times for promoting and bringing forward such sites. Indeed, Area 4 of the WMSESS – which covers Richborough’s Site – has just 3.23 years’ supply based on 323 ha of allocated sites, rising to 8.17 years’ supply if the 494 ha of industry-promoted sites are all incorporated. Ultimately, the WMSESS’ analysis underlines the urgent need to identify a pipeline of new Strategic Employment Sites to meet needs beyond supply that exists in allocations and committed sites.
- 2.34 When taken together, it is clear that the Council should be making further provisions to capture some of the very substantial unmet strategic logistics and manufacturing demand from the FEMA and the wider area. Without the Council’s assistance in addressing this crucial matter, there is a real risk that the FEMA’s employment needs may not be fully met.

## **Conclusion**

- 2.35 Richborough considers that the Council’s proposed employment policy approach, set out in draft Policy DS4 (Development Needs) of the PP, is not underpinned by robust evidence. The employment need set out in the Council’s 2022 EDNA is inadequate to address the pent-up demand and risks suppressing the District’s economy for years to come. A more realistic assessment of the District’s indigenous objectively assessed employment land

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<sup>4</sup> PPG ID: 3-007

<sup>5</sup> PPG ID: 2a-031



needs for the plan period 2020-2040 equates to c.115 ha (i.e. the Growth Scenario), or 160 ha if a higher margin of choice is factored in to reflect strategic site delivery. As such, when set against the Council's purported forward supply of 99 ha, it is clear that the Council's current approach would be insufficient to address the needs of the District, let alone make a meaningful contribution towards addressing the unmet needs of the FEMA or wider West Midlands Region.

- 2.36 Furthermore, the strategic evidence that is available suggests that the scale of unmet needs that South Staffordshire should be contributing towards is very substantial indeed; comprising potentially 98 ha to meet Birmingham's unmet needs and between 145 ha and 165 ha of the BCA's needs even if the 67 ha contribution from the WMI is deducted. It is therefore clear that the District has a critical role to play in delivering strategic logistics/manufacturing floorspace to address very significant levels of unmet need across Birmingham City, the Black Country and the West Midlands as a whole. As such, Richborough considers that it is premature to argue that a modest provision of 36.6 ha and the WMI represents a 'proportionate' contribution to meeting wider unmet needs.

### **Why is the policy unsound?**

- 2.37 In this context, Richborough is concerned that Policy DS4 (Development Needs) as it is drafted is unsound. The NPPF is clear that development plans "*must include strategic policies to address each local planning authority's priorities for the development and use of land in its area*" (Para 17). The NPPF also requires plans to contain strategic policies which should, as a minimum, provide for objectively assessed needs for housing and other uses and those that cannot be met within neighbouring areas (Para 11b). In the context of employment land, the NPPF emphasises the importance "*on the need to support economic growth and productivity*" (Para 81) and is clear that planning policies should "*seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment*" (Para 82c).
- 2.38 As it is drafted, Policy DS4 (Development Needs) Richborough does not consider that the Council's current approach to addressing its own needs, or the unmet needs of the FEMA and wider area is appropriate or justified by robust evidence, and as a result, Richborough considers that there is a cogent argument for the Council to accommodate further employment growth within the District, as it is unlikely that this could be accommodated elsewhere within the FEMA and beyond. It is therefore critical that a FEMA-wide approach to ensuring additional, well-located sites, which are capable of accommodating larger units, are brought forward through the Council's Local Plan Review to help meet demand and deliver high-quality floor space within the FEMA. This is critical in order for the Local Plan Review to accord with paragraphs 11b, 24, 35c, 81, 82 and 83 of the NPPF and the guidance within the PPG.

### **Recommended steps to ensure soundness**

- 2.39 Richborough, therefore, recommends that Policy DS4 (Development Needs) be amended to reflect a more realistic assessment of the District's employment land needs over the plan period as well as an increased contribution towards the unmet employment land needs of the BCA and potentially Birmingham. This would ensure that the PP is sound and compliant with paragraphs 11b, 17, 31, 35b, 81 and 82c of the NPPF.

## Policy DS5 – The Spatial Strategy to 2039

- 2.40 Draft Policy DS5 (The Spatial Strategy to 2039) sets out the Council’s proposed spatial strategy to address the plan’s housing requirement for the plan period up to 2039. The PP notes that the proposed spatial strategy has been revised since the PO, following comments received during the consultation (Para 5.20). For employment land, the PP notes that:
- “The district’s freestanding strategic employment sites Outside of the district’s rural settlements, support will continue to be given for employment and economic development at the district’s five existing freestanding strategic employment sites (West Midlands Interchange, i54 South Staffordshire, Hilton Cross, ROF Featherstone/Brinsford and Four Ashes). Existing and proposed employment sites throughout the district will be safeguarded for their respective uses, in accordance with other Local Plan policies.”*
- 2.41 In terms of delivering this spatial strategy, the policy states that the strategy will be delivered through allocations made in the Local Plan Review, which for employment, are set out in draft Policy SA7 (Employment Allocations).
- 2.42 In principle, Richborough has no objections to the thrust of the Council’s proposed spatial strategy for employment. It is entirely logical to seek to focus additional employment growth in well-established employment locations, particularly given the success of the i54 South Staffordshire, Hilton Cross, ROF Featherstone/Brinsford and Four Ashes to date. However, as demonstrated above, Richborough also considers that the District’s employment needs have been underestimated and that the Council is not sufficiently addressing the strategic cross-boundary matter of unmet employment land needs. To this end, it is clear that additional employment sites will be required to meet the additional need for employment land within the District.
- 2.43 As set out in Section 1.0 of these representations, Richborough is promoting Land at Gailey Lea Farm (Site Ref: E58a and E58b) for employment development and has previously submitted the Site to the Council via a Call for Sites Form in December 2021, which was followed by the submission of a Vision Document in April 2022 – a copy of this Vision Document is appended to the representations accordingly (Appendix 3). At that point, the Site had not been assessed in the Council’s wider evidence base prepared in support of the emerging Local Plan Review.
- 2.44 Whilst it is noted that the Council has not allocated the Site for employment development within the PP, it is noted that the Council has now assessed the Site within the below evidence base documents:
- The ‘Strategic Housing and Economic Land Availability Assessment November 2022’ [SHELAA];
  - Sustainability Appraisal of the South Staffordshire Local Plan Review (2019-2039): Regulation 19 SA Report (October 2022) (“the Reg 19 SA”);
  - Economic Strategy & Employment Site Assessment Topic Paper (November 2022) (“ESES Topic Paper”);
  - South Staffordshire Landscape Sensitivity Assessment Addendum (August 2022) (“the Landscape Addendum”); and
  - South Staffordshire Green Belt Study Addendum (August 2022) (“the GB Addendum”).

- 2.45 In this respect, Richborough welcomes the Council’s pragmatism in constructively taking on board Richborough’s previous concerns regarding the need for further employment growth within the District, and the particular and unique opportunities Land at Gailey Lea Farm offered when compared to other employment sites. Indeed, the Site is located adjacent to the M6 J12, the A5 and the forthcoming WMI, and has easy access to the M54 to the south. It is located in a crucial area within the District, which will act as a key employment corridor within this part of the District. It is also well placed to meet the BCA’s unmet employment needs in close proximity to where they arise, given its proximity to Wolverhampton. It is entirely appropriate for the Council to test an additional reasonable employment site alternative as a part of the iterative process necessary for progressing a plan – as required by the PPG<sup>6</sup> and Friends of the Earth High Court judgment.<sup>7</sup>
- 2.46 However, despite this, the ESES Topic Paper concludes that the “*assessment has therefore confirmed that with the proposed allocations at para 5.6 that South Staffordshire has sufficient pipeline of employment land to meet our own needs and make a minimum contribution towards unmet needs of the Black Country of 103.6ha. Given this substantial contribution and considering the findings of the site assessments at Appendix A, it is not considered that further allocations on land options designated Green Belt or Open Countryside are justified.*” (Para 5.8).
- 2.47 As highlighted above in response to draft Policy DS4 (Development Needs), Richborough fundamentally disagrees with the Council’s position that sufficient land is available to meet the District’s employment needs and some of the BCA’s unmet needs. Moreover, Richborough disagrees with the Council’s assessment and conclusions on the Site – summarised within the ESES Topic Paper but drawing from the wider evidence base – which ultimately led to the Council electing not to allocate the Site. The Council’s Site Assessment for the Site is set out in Appendix A of the ESES Topic Paper, and the reasons the Site has been rejected can broadly summarised as below:
- 1 **Economic Land Availability Assessment Score: 54**
  - 2 **Access to infrastructure:** *The nearest bus stop which hosts a regular bus service is located along the A449 approx. 4.7km away. The nearest railway station is located approx. 6.7km east of the site at Cannock;*
  - 3 **Sequential test:** *The site is within the Green Belt and is not previously developed land so is therefore sequentially the least preferable;*
  - 4 **Green Belt Harm:** *The site is within the Green Belt and assessed as having a very high harm rating;*
  - 5 **Landscape Sensitivity:** *‘Moderate’ to ‘Moderate-High’ rating; and*
  - 6 **Known site constraints:** *The site is adjacent to two SBI’s (Gailey Reservoirs and Fullmoor Wood). The site borders ancient woodland to the north. Majority of the site is within an area of high habitat distinctiveness, which the NRN mapping indicates should be avoided for development. There is also a potential lack of sustainable transport options for the site.*

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<sup>6</sup> PPG IDs: 11-017 and 11-018

<sup>7</sup> Paragraph 88 of R (Friends of the Earth England, Wales and Northern Ireland Ltd) v The Welsh Ministers [2015] EWHC 776 (Admin)

2.48 The ESES Topic Paper concludes that:

*“Site performs relatively well from a market perspective, having a clear advantage for distribution/logistics of being close to the M6 (J12) and the West Midland Interchange proposal. However, some initial concerns have been expressed by Staffordshire County Council highways team regarding cumulative impacts on the surrounding network and sustainable travel access. Major negative effects are also predicted in the Sustainability Appraisal, due to the site being in one of the more harmful Green Belt areas within the district.*

*Furthermore, the supply/demand balance in the EDNA 2022 indicates that South Staffordshire’s local needs can be met and that there is a 36ha surplus of strategic employment land available for cross boundary unmet needs increasing further when factoring in available supply at WMI. Considering the assessment undertaken on this site, and the significant contribution of 103.6ha (inc. minimum WMI contribution) available for export to the Black Country authorities, this site is not proposed for allocation.”*

2.49 Again, Richborough strongly contends that there is a clear and cogent need for additional employment land within the District to meet not just only the District’s own employment needs, but to assist in addressing the acute shortfall arising from the BCAs. As is demonstrated in detail within the supporting ELNA and summarised below, there are few if any sites within the District and wider FEMA that offer the strategic scale, and access to the SRN and WMI that Richborough’s Site offers.

2.50 Indeed, the Vision Document demonstrated that the Site presents an excellent sustainable location to deliver around c.228,000 square meters of high-quality B8/Logistics floor space next to the WMI, together with attractive open space, other supporting infrastructure and a visual buffer of planting along the northern site edge to create a defensible boundary. However, importantly, Richborough’s previously submitted Vision Document clearly demonstrated that any impacts from the development could be appropriately and sensitively mitigated. As such, Richborough strongly contends that the Council’s assessment of the Site is unjustified for the following reasons:

### **1. Economic Land Availability Assessment Score**

2.51 The ESES Topic Paper refers to a score of 54 out of 95. This ostensibly is based on Economic Land Availability Assessment (2020) [ELAA], which was updated within the 2022 EDNA – and set out in Appendix 1. This is replicated within the ESES Topic Paper; albeit, Richborough’s Site was not assessed within the 2022 EDNA, but was within the ESES Topic Paper.

2.52 However, fundamentally, it is unclear how the Council has arrived at the scores in Appendix C of the ESES Topic Paper. This is because the Council’s ELAA (Appendix B) (i.e., the Stage 2 EDNA), and neither the 2022 EDNA nor ESES Topic Paper provide any justification for the scoring. It is therefore difficult to establish whether the Council’s scoring of the Site is reasonable and appropriate. This is, in and of itself a major flaw in the Council’s evidence base, as it is unclear what evidence there is to substantiate the Council’s scoring of the Site.

2.53 Notwithstanding this, at face value, the scores for the Site appear overly negative. Indeed, whilst scoring a 2 for ‘Market Activity/Developer interest’, Richborough would argue that this score should be increased to a 5. It is likely that, with strong regional demand for

logistics, and with the WMI adjacent to the Site, it would have a strong market interest. Similarly, Richborough considers that its scoring for Suitability for Growth Sectors should be increased to 5, given the demand for Logistics floorspace within the District and wider region. In any event, in the absence of a justification, the scoring of the Site appears critical and unjustified.

## **2. Access to infrastructure**

- 2.54 Whilst the ESES Topic Paper highlights that the Site is c.5km+ from a bus stop or train station, it is important to note that this is no worse than the WMI, Hilton Cross, and Vernon Palk (i.e., 3) and better than ROF Featherstone (i.e., 2), as per the ESES Topic Papers ELAA scores.
- 2.55 Indeed, in the Reg 19 SA's scoring of the 'New and Amended Reasonable Alternative Sites' (Appendix F), the Reg 19 SA notes that the site all of the other Reasonable Alternative employment sites are located outside the target distance from railway stations other than E61A (Para F.19.10.2). In terms of bus access, all sites other than Hilton Cross (which is allocated in draft Policy SA7) are located wholly or partially outside of the target distance to a bus stop providing regular services (Para F.19.10.1). Even the Council's proposed i54 allocation does not have optimal access to public transportation. Whilst the NPPF's sequential approach to development in the Green Belt seeks to direct development in locations well-served by public transport, it also requires policies to also "*recognise and address the specific locational requirements of different sectors*", including (inter alia) "*for storage and distribution operations at a variety of scales and in suitably accessible locations*" (Para 83). In essence, it appears entirely reasonable for strategic employment sites to be located optimally around the SRN, which may result in limited public transport access.
- 2.56 However, the Reg 19 SA does acknowledge that Richborough's Site does have good public footpath linkages (Para F.19.10.3) and is within 600 m of a cycle path and a Public Right of Way [PRoW], which "*provide site end users with good pedestrian and/or cycle access and encourage physical activity, and therefore, have a minor positive impact on the health and wellbeing of local residents*" (Para F.19.8.6). Whilst it is noted that the Site would be located outside the target distance to the nearest convenience stores (Para F.19.10.5), the Vision Document clear set out that the vision for the Site included a small mixed-use area within the development to serve the workforce and mitigate and limit off-site trips on breaks.
- 2.57 However, further mitigation measures could be considered at the planning application stage, which could include contributions to the improvement of the existing bus network, or the provision of a new route which could serve the WMI and Richborough's Site at Gailey Lea. In addition, or alternatively, the potential exists for a private shuttle bus service to pick up future employees from main urban areas – a similar approach to that adopted by the WMI.
- 2.58 In essence, the Site is no worse off in terms of public transportation access than a majority of the Council's 'preferred' employment sites. Indeed, it is worth noting that the Council's Reg 19 SA concluded that the Richborough's Site scored the same as the other proposed employment allocations in SA terms (i.e., a 'Minor Negative') on the 'Transport and Accessibility' objective (when mitigated).



### 3. Sequential test

- 2.59 The NPPF is clear that *“once established, Green Belt boundaries should only be altered where exceptional circumstances are fully evidenced and justified”* (Para 140). Paragraph 141 of the NPPF then sets out a sequential approach necessary prior to concluding exceptional circumstances justify the release of Green Belt. However, the NPPF is also clear that policies should also *“recognise and address the specific locational requirements of different sectors”*, including (inter alia) *“for storage and distribution operations at a variety of scales and in suitably accessible locations”* (Para 83).
- 2.60 The ESES Topic Paper states that, as the Site is within the Green Belt and is not previously developed land [PDL], it is sequentially the least preferable. As noted above, the NPPF requires a sequential approach prior to the releasing of Green Belt land. However, it is also clear that regard should be had to locational requirements for employment uses. Indeed, as discussed further below, it an essential part of the exceptional circumstances test that Green Belt land (that fulfils poor to moderate Green Belt purposes) can be released if it is consistent with the Local Plan strategy for meeting requirements for sustainable development, for example, to secure more sustainable patterns of development. In this regard, were there insufficient brownfield land, or PDL in the Green Belt, in the right location to meet the specific needs of certain sectors, it would be entirely reasonable and compliant with the NPPF to release Green Belt land to meet these needs in the Local Plan Review.
- 2.61 As the Council will be aware, Richborough’s Site is located adjacent to the M6 J12, the A5 and the forthcoming WMI, and has easy access to the M54 to the south. It is located in a crucial area within the District, which will act as a key employment corridor within this part of the District. In essence, the Site is a highly sustainable and logical location for employment growth. It is also well placed to meet the BCAs unmet employment needs in close proximity to where they arise, given its proximity to Wolverhampton.
- 2.62 However, to further highlight that the Site is the most appropriate location for a large employment development that can capitalise on clear links to the SRN and the forthcoming WMI, and that there are no other more suitable alternative strategic sites available, the supporting ELNA has undertaken an Alternative Site Assessment which assesses the suitability of alternative locations across the FEMA and options to accommodate a large scale B2 / B8 industrial / logistics development.
- 2.63 Across the FEMA, from the employment land evidence available, the ELNA recorded 299 employment sites. Of these, only 17 sites were seen as ‘strategic’ in scale (i.e., 25 ha gross or 100,000 sq.m net floorspace). The ELNA then assessed these sites against the below minimum requirements:
- 1 25ha (gross) or 100,000 sq.m floorspace (net);
  - 2 Within 1.5km of an existing motorway junction and suitable access can be achieved via a trunk road;
  - 3 A workable topography with a maximum of 35m variation in existing land levels.
  - 4 Located outside of Flood Zone 3; and
  - 5 No other pertinent physical constraints that would preclude development on the site.

- 2.64 Notably, of the 17 strategic sites available, only 6 sites below – which includes Richborough’s – met these requirements:
- 1 West Midlands Interchange;
  - 2 Land at Gailey Lea Farm;
  - 3 Land north of A5, Gailey;
  - 4 Land to the north of Redhill;
  - 5 Land east of Wolverhampton Road; and
  - 6 Kingswood Lakeside Extension 2.
- 2.65 Importantly, when assessed against the ELNA’s Suitability Assessment, the WMI scored the highest. However, this site is already consented, a draft allocation in the Local Plan Review and is meeting the District’s and Regional needs. Similarly, Kingswood Lakeside Extension 2 is a draft allocation in the Cannock Chase Local Plan Review Regulation 19 plan to meet Cannock’s indigenous employment needs. The same applies to Land to the north of Redhill, which is a draft allocation in the Stafford Borough Local Plan 2020-2040 Preferred Options. As such, both of these sites are unavailable to meet the FEMA’s wider needs. Therefore, the ELNA concludes that there are only three available strategic sites within the FEMA, all of which are located in South Staffordshire.
- 2.66 Of these, whilst Land east of Wolverhampton Road scores marginally better than the Site, the Council itself has raised concerns with the site’s topography which may impede industrial development on the site. Furthermore, the site is adjacent to a SSSI and lacks proximity to the WMI SRFI. Moreover, the Council’s Reg 19 SA scored the site a ‘Major Negative’ in SA terms against the Landscape and Townscape objective, compared to Richborough’s Site (i.e., a ‘Minor Negative’). Cumulatively, Richborough considers that Land east of Wolverhampton Road is unlikely to be an attractive site to the market, given the constraints on and adjacent to the site, and that it lacks the scale and proximity to the WMI that Richborough’s Site benefits from. In essence, Richborough strongly contends that that there are no other ‘sequentially preferable’ strategic employment opportunities within the District or FEMA. This serves to highlight that no other authorities within the FEMA are able to contribute towards addressing the FEMA’s unmet needs, other than South Staffordshire.

#### **4. Green Belt Harm**

- 2.67 The ESES Topic Paper concludes that the release of the Site from the Green Belt would result in ‘Very High’ harm. This is based on the GB Addendum, which provided an addendum to the ‘South Staffordshire Green Belt Study Stage 1 and 2 Report (July 2019)’<sup>8</sup> (“the GB Report”) in relation specifically to Richborough’s Site within the wider Parcel S2.
- 2.68 Against the five purposes of the Green Belt,<sup>9</sup> the GB Addendum concluded that the parcel scored Moderate against Purpose 1, Weak/No Contribution against Purpose 2, Strong against Purpose 3, Weak/No Contribution against Purpose 4 and Strong against Purpose 5, culminating in a ‘Very High’ harm rating.

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<sup>8</sup> Prepared by LUC on behalf of the City of Wolverhampton, Dudley, Sandwell and Walsall (i.e. the Black Country Authorities) and South Staffordshire.

<sup>9</sup> Paragraph 138, NPPF (2021)

- 2.69 Richborough fundamentally disagrees with the Council’s conclusions on Purpose 3. The Site is adjacent to the M6 and A5 and importantly the forthcoming WMI on the other side of the M6. It is considered highly likely that the parcel would have a weak contribution to Purpose 3 by virtue of the significantly urbanising impacts that the WMI – which is proposed for release from the Green Belt– and M6 will have on this area of the Green Belt. The consequence of this is that Richborough considers that the level of harm should be reduced from ‘Very High’ to ‘High’.
- 2.70 In any event, as previously stated in Richborough’s PO representations, whilst it is justified to consider ‘harm’ in the balance when assessing exceptional circumstances for Green Belt release, it is not compliant with national policy to release only those sites which perform the worst against the Green Belt purposes (i.e., low Green Belt harm). There is a need to consider the broader Green Belt policies in the NPPF as a whole. As such, regard should be had to the promotion of sustainable patterns of development, access to public transport, whether compensatory improvements could offset the harm from removal (Para 142, NPPF), and consistency of the Green Belt with the emerging Local Plan strategy.
- 2.71 In this context, it is an essential part of the exceptional circumstances test that logically exceptional circumstances must be capable of trumping the purposes of the Green Belt<sup>10</sup>. For example, it is conceptually possible for Green Belt land that fulfils strong Green Belt purposes to be released if it is consistent with the Local Plan strategy for meeting requirements for sustainable development, for example, to secure more sustainable patterns of development or to “*recognise and address the specific locational requirements of different sectors*”, including (*inter alia*) “*for storage and distribution operations at a variety of scales and in suitably accessible locations*” (Para 83).
- 2.72 As such, Richborough considers that it is entirely reasonable, and appropriate, for land which fulfils strong Green Belt purposes to be released where exceptional circumstances are evidenced (i.e., a locational requirement for the logistics sector). Indeed, this is a position the Council has taken elsewhere.
- 2.73 In this regard, the site is located adjacent to the M6 J12, the A5 and the forthcoming WMI, and has easy access to the M54 to the south. It is located in a crucial area within the District, which will act as a key employment corridor within this part of the District. In essence, the Site is a highly sustainable and logical location for employment growth. Moreover, it is also well placed to meet the BCA’s unmet employment needs in close proximity to where they arise, given its proximity to Wolverhampton.
- 2.74 As shown above, following an Alternative Site Assessment for strategic sites within the District and across the FEMA, there are no other ‘sequentially preferable’ strategic employment opportunities.
- 2.75 Further, as demonstrated within the Vision Document, the delivery of environmental enhancements on-site, which could also be achieved as part of the development, would ensure that any harm arising as a result of the removal of the site from the Green Belt could be offset. The ‘harm’ associated with its removal from the Green Belt should therefore not impede allocating the Site in this instance. In addition to the above, the Council’s Reg 19 SA indicates that the Sites impact on ‘Landscape and Townscape’ would be no worse than the

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<sup>10</sup> Paragraph 42, *Calverton Parish Council v Nottingham City Council* [2015] EWHC 1078

other proposed employment allocations in SA terms (i.e., a ‘Minor Negative’) against the ‘Landscape and Townscape’ objective (when mitigated).

## 5. Landscape Sensitivity

2.76 The Landscape Addendum provided an addendum to the ‘South Staffordshire Landscape Sensitivity Assessment (July 2019)’ (“the Landscape Assessment”) in relation specifically to Richborough’s Site. It splits the Site into two sites, named ‘Gailey Lea Farm A’ (SHLAA reference E58a) and ‘Gailey Lea Farm B’ (SHLAA reference E58b). For each site it concludes the following landscape sensitivity:

- SL97s1 – Moderate: *“The area is remote from urban areas, retains an open, rural character and benefits from the proximity of the adjacent ancient woodland and reservoirs. However, the M6 is an intrusive element towards the western end of the area, which is relatively contained from the wider landscape. It is considered to have moderate overall sensitivity to residential and employment development.”*; and
- SL97s2 – Moderate-High: *“Towards the eastern end of the area the M6 becomes less intrusive, and the landscape forms a visible part of the rural setting of the Cannock Chase AONB, as seen from Shoal Hill. The landscape here is considered to have moderate-high sensitivity to residential and employment development.”*

2.77 Again, similar to Richborough’s comments on the GB Addendum, the Landscape Addendum clearly ignores the impacts that the WMI will have on the area. When developed the WMI will provide a strong developed influence on the Site, reducing the potential sensitivity to employment development.

2.78 However, Richborough’s previously submitted Vision Document clearly demonstrated that any impacts from the development could be appropriately and sensitively mitigated. Indeed, the masterplan demonstrated that with careful mitigation, potential landscape and visual impacts can be mitigated at an early stage, with the Illustrative Masterplan being informed by the following key features:

- 1 A minimum 15m buffer could be provided to Fullmore Wood. Subject to agreement with the ecologist, treatment may result in a non-intervention area to reduce disturbance on adjoining woodland. A woodland edge and scrub layer could be created;
- 2 Enhancement of the existing hedgerow boundaries is provided to improve visual enclosure. This could include 15-20m wide planted bunds, enabling the height of the proposed development to be more successfully filtered from surrounding viewpoints. The existing PRow is integrated within this buffer;
- 3 Additional woodland planting has been included to filter views towards the proposed vehicular entrance off the A5. Such features are characteristic and would strengthen the visual enclosure of the existing open farmland to the east;
- 4 An improved and widened vehicular entrance and landscaped margins are provided to assist in addressing the current damage to soft verges. The wide rural verges will be maintained with further opportunities for wildflowers explored;
- 5 Development off-set to Gailey Lea Lane incorporated to assist in the retention of the existing hedgerow (which could be left to grow in height) and to maintain the rural character of the lane;

- 6 The central woodland copse is retained with improved connectivity in between through infill woodland planting, providing segregation of the Site (to reduce the sense of scale) and providing habitat linkage to Fullmore Wood to the north;
- 7 Glimpsed views north (between the proposed development parameter parcels) included towards the distant rising landscape;
- 8 New green infrastructure and landscaping incorporated within the west of the Site; and
- 9 Continuation of the existing roadside tree planting that segregates the Site from the Gailey Lower Reservoir has been incorporated.

2.79 When taken together, it is considered that the proposals for the Site could provide green infrastructure corridors and enhanced areas of green spaces throughout the Site, alongside further bespoke planting and landscaping. All this would serve to soften the Site's impact on the landscape. In addition to the above, it is worth noting that the Council's Reg 19 SA concluded that the site would have less of a landscape impact in SA terms than the i54 Western Expansion, which scored a 'Major Negative' whereas Richborough's Site scored a 'Minor Negative'. Indeed, importantly, Richborough's Site scored the same as the other proposed employment allocations.

## **6. Known site constraints**

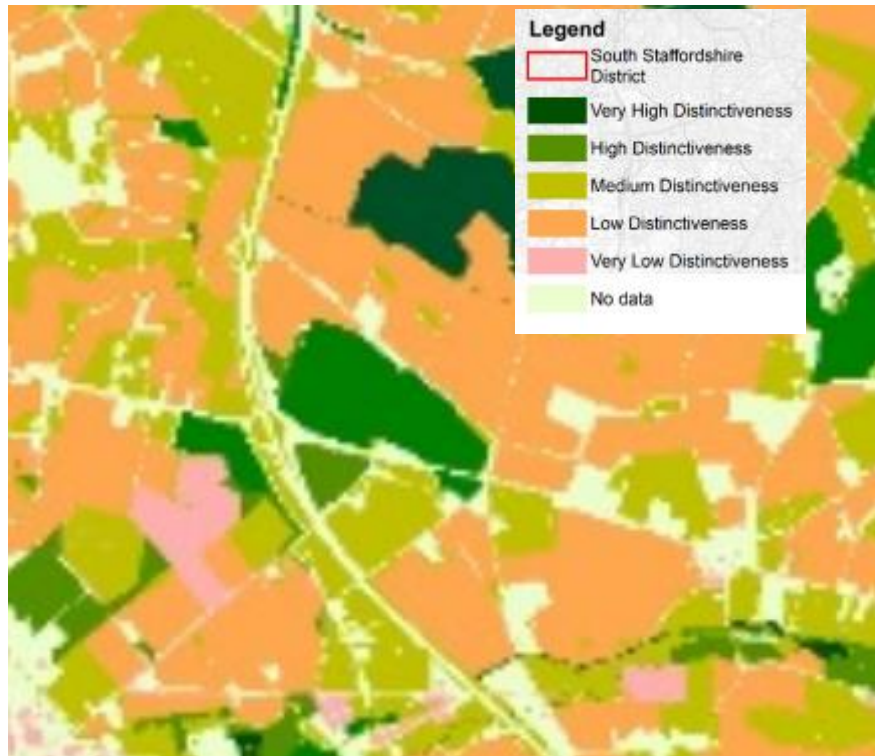
2.80 The Council's ESES Topic Paper refers to several constraints relating to the adjacent reservoirs, the Fullmoor Woods Ancient Woodlands, and access to public transport. The latter has already been addressed above, however in respect of the former two constraints, again Richborough's previously submitted Vision Document clearly demonstrated that any impacts from the development could be appropriately and sensitively mitigated. Indeed, the master plan demonstrated that a buffer would be provided between the development and Fullmoor Woods and would not impede on the reservoirs.

2.81 In respect of the site being within an area of 'high habitat distinctiveness' in the 'South Staffordshire District Nature Recovery Network Mapping (2020)' ("the NRN"), it should be noted that only the reservoirs fall within the 'High Distinctiveness' area, with a majority of the Site falling within 'Low Distinctiveness'. Whilst the copses located within the middle of the Site do fall within the 'High Distinctiveness' area, as demonstrated in the Vision Document, these would be retained and retained and improved through connectivity in between through infill woodland planting, providing segregation of the site and to provide habitat linkage to Fullmore Wood to the north (i.e., enhancement).

2.82 As such, this would not preclude development in this location and indeed the development of the Site could deliver biodiversity net gains on the Site. Indeed, as set out in the Vision Document, the development would deliver habitat enhancement and improved biodiversity across the Site through the effective management of trees, hedgerows, open space provision and the implementation of attenuation ponds, wildflower meadows and swales to ensure that the Site delivers a 10% biodiversity net gain.



Figure 2.1 Habitat distinctiveness



Source: Map 1, South Staffordshire District Nature Recovery Network Mapping (2020)

## Summary

- 2.83 The reasons the Council has not allocated the Site are set out in the Council’s ESES Topic Paper. Fundamentally, the Council considers that these relate to the lack of ‘need’ for additional employment land within the District to meet its needs or the unmet needs of the FEMA and that the Site performs ‘strongly’ against the five Green Belt purposes.
- 2.84 However, as set out above, Richborough strongly contends that there is a clear and cogent need for additional employment land within the District to meet not just only the District’s own employment needs, but to assist in addressing the acute shortfall arising from the BCAs. Moreover, Richborough considers that it is entirely reasonable, and appropriate, for land which fulfils strong Green Belt purposes to be released where exceptional circumstances are evidenced (i.e., a locational requirement for the logistics sector). The supporting ELNA has clearly shown that there are no other ‘sequentially preferable’ strategic employment opportunities. As such, it is entirely reasonable to release ‘high’ performing Green Belt land at Gailey Lea to address the unmet employment needs of the FEMA.
- 2.85 In addition, the Council’s other reasons for discounting the Site appear to be poorly evidenced, overly critical or could easily be mitigated – as demonstrated in Richborough’s Vision Document for the Site. Indeed, this is clearly shown in the Council’s Reg 19 SA’s testing of Reasonable Alternatives, which shows that, despite the overly critical scoring in the ESES Topic Paper, the Site scores the same as other sites that the Council has elected to allocate in the PP in SA terms.

Table 2.2 Comparison of Mitigated Reg 19 SA Scores for Reasonable Alternative Employment Sites

Site Name	Ref.	Climate Change Mitigation	Climate Change Adaptation	Biodiversity and	Landscape and Townscape	Pollution and Waste	Natural Resources	Housing	Health and Wellbeing	Cultural Heritage	Transport and Accessibility	Education	Economy and Employment
Four Ashes Industrial Estate	E51a	+/-	+	0	-	-	-	0	-	0	-	0	++
	E51b	+/-	+	0	-	-	-	0	-	0	-	0	++
Hilton Cross Business Park	E20a	+/-	+	0	-	-	-	0	-	0	-	0	++
	E20b	+/-	+	0	-	-	-	0	-	0	-	0	++
ROF Featherstone	E18	+/-	0	0	-	-	-	0	-	0	-	0	++
West Midlands Interchange	E33	+/-	+	0	-	-	-	0	-	0	-	0	++
i54	E24	+/-	0	0	-	-	-	0	-	0	-	0	++
i54 Western Extension	E44	+/-	+	0	-	-	-	0	-	0	-	0	++
Gailey Lea	E58a	+/-	+	0	-	-	-	0	-	0	-	0	++
	E58b	+/-	+	0	-	-	-	0	-	0	-	0	++

Source: Lichfields analysis based on Reg 19 SA **Bold** = Draft Allocated

- 2.86 Therefore, at present, the Council runs the risk of potentially falling into a position where either the evaluation of reasonable alternatives in the SA and Site Selection Process could be interpreted to either have not been undertaken properly or to have been ‘improperly restricted’, in the context of the iterative process necessary for progressing a plan.
- 2.87 However, notwithstanding the above, Richborough understands that to meet additional unmet employment needs from the BCAs on top of the forthcoming WMI would be a significant step-change in employment land delivery within the District – despite the WMSESS clearly identifying the area as a critical market and recent strong levels of market activity in the District. Moreover, as the BCAs are now preparing plans independently and Birmingham is at the beginning of the process, should the Council consider it more prudent to address any additional unmet employment needs through a future Local Plan Review, the NPPF notes that:
- “Once established, Green Belt boundaries should only be altered where exceptional circumstances are fully evidenced and justified, through the preparation or updating of plans. Strategic policies should establish the need for any changes to Green Belt boundaries, having regard to their intended permanence in the long term, so they can endure beyond the plan period.”* (Para 140) (Emphasis added)
- 2.88 It goes on to state that when defining Green Belt boundaries, plans should, where necessary, identify areas of safeguarded land between the urban area and the Green Belt, in order to meet longer-term development needs stretching well beyond the plan period (Para 143c).
- 2.89 To this end, it is clear that through a future Local Plan Review the Council will need to release further employment land, either to address wider FEMA needs or the District’s. As shown in the ELNS Alternative Site Assessment, there are limited options for meeting these long-term needs outside of the Green Belt, by virtue of a majority of the sites that are adjacent to the SRN being within the Green Belt. As such, the permanence of the Council’s currently proposed Green Belt boundaries is in doubt, as it is very likely that the Council will again need to revisit releasing Green Belt land in due course. In this regard, the identification of additional safeguarded land will ensure that Green Belt boundaries will not need to be altered at the end of the plan period. Indeed, this is an approach that the Council

has previously adopted in the current Core Strategy (2012) (i.e. Policy GB2: Land Safeguarded for Longer Term Needs). Therefore, at the very least, Richborough considers that a reasonable alternative to allocating the Site in the current Local Plan Review would be to safeguard the land for future development. This approach would be entirely in accordance with the NPPF and will ensure that the Green Belt boundaries will not need to be reviewed again until the end of the next plan period (Para 143c, NPPF).

### **Why is the policy unsound?**

- 2.90 In relation to employment development Richborough is concerned that draft Policy DS5 (The Spatial Strategy to 2039) as it is drafted is unsound. As set out in our response to draft Policy DS4 (Development Needs), Richborough does not consider that the Council's PP adequately identifies the District's objectively assessed needs for employment land or makes an appropriate contribution towards the unmet needs of the FEMA. As such, draft Policy DS5 (The Spatial Strategy to 2039) is not sound as it does not identify or allocate sufficient employment sites to provide for objectively assessed needs and those that cannot be met within neighbouring areas (Para 11b).
- 2.91 Whilst the Council's evidence base has discounted Richborough's Site, the above response has demonstrated that this analysis is poorly evidenced and not supported by justified evidence. At present, the Council runs the risk of potentially falling into a position where either the evaluation of reasonable alternatives in the SA and Site Selection Process could be interpreted to either have not been undertaken properly or to have been 'improperly restricted', in the context of the iterative process necessary for progressing a plan.
- 2.92 The supporting ELNA has clearly shown that there are no other 'sequentially preferable' strategic employment opportunities. As such, it is entirely reasonable to release 'high' performing Green Belt land at Gailey Lea to address the unmet employment needs of the FEMA – such an approach is entirely consistent with the NPPF. Richborough has demonstrated that the Site is deliverable within the supporting Vision Document, and the supporting EBA highlights the significant benefits the Site could deliver, whilst assisting the Council in addressing their objectively assessed needs and the unmet needs of the FEMA and wider region.

### **Recommended steps to ensure soundness**

- 2.93 Richborough, therefore, requests the Council to consider a modification to draft Policy DS5 and draft Policy SA7 (Employment Allocations), which considers the issues raised within these representations. In particular, Richborough considers that the Council should allocate Land at Gailey Lea Farm for c.87 ha of employment development in the Local Plan Review. This would ensure that the PP is sound and compliant with paragraphs 11b, 17, 81 and 82c of the NPPF.
- 2.94 Alternatively, the Council could include a modification to the PP which inserts a new Safeguard Land policy which identifies 10 years' worth of safeguard land to ensure that safeguarded land will be available, if needed, as a buffer to ensure that the Green Belt boundary retains a degree of permanence. To this end, Richborough has suggested the below policy wording:

*“Policy DS7 – Land Safeguarded for Longer Term Employment Needs*

*a) Safeguarded land has been identified for employment development for the period 2039 – 2049. This is at the four existing freestanding strategic employment sites at i54, Hilton Cross, ROF Featherstone/Brinsford and Four Ashes and Land at Gailey Lea Farm (Site Ref. E58).*

*b) All safeguarded land identified for longer-term development needs and removed from the Green Belt (including existing safeguarded land) will retain its safeguarded land designation until a review of the Local Plan proposes the development of those areas in whole or part. Planning applications for permanent development prior to allocation in the Local Plan will be regarded as departures from the Plan.”*

2.95

This would ensure that the PP is sound and compliant with paragraphs 11b, 17, 81, 82c, 140 and 14c of the NPPF.

# **Appendix 1 Employment Lands Need Assessment**



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**60**  
years

# **Land at Gailey Lea Farm Employment Land Needs Assessment**

Richborough Estates

December 2022

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## 1.0 Executive Summary

- 1.1 This Employment Land Needs Assessment [ELNA] Technical Note has been prepared in the context of Richborough Estates Limited [‘Richborough’] land interests at Land at Gailey Lea Farm, Gailey Lea Lane, South Staffordshire. The Land at Gailey Lea Farm is located to the north of the A5 and to the east of the M6 and is currently designated as Green Belt. The site offers the opportunity to provide 87 ha (or 228,000 sqm) of high-quality logistics floor space, attractive open space and supporting infrastructure.
- 1.1 This report is intended to supplement and assess the South Staffordshire Economic Development Needs Assessment [EDNA] work recently carried out by the Strategic Planning Research Unit [SPRU] (June 2022), to ensure that the employment evidence that underpins the emerging Local Plan is robust. In this regard, Richborough welcomes that South Staffordshire District Council [SSDC] has commissioned up-to-date evidence on employment land needs, and that the Council has committed to assisting the Black Country Authorities in meeting their unmet employment needs.
- 1.2 Richborough is also supportive of the Council’s recognition that the West Midlands Interchange [WMI] makes a wider contribution to strategic logistics across the region. However, Richborough contends that it is not necessarily within the Council’s remit to apportion the WMI to neighbouring authorities as it sees fit. As stated by the Stage 2 EDNA (Figure 4.3) and Topic Paper (Para 3.18), the WMI will play a regional role. Indeed, the BCAs ‘*West Midlands Strategic Rail Freight Interchange Employment Issues Response Paper – Whose need will the SRFI serve?* (February 2021)’ (“the SRFI study”) has shown that it would serve c.67 ha of the Black Country’s employment needs when excluding South Staffordshire. Therefore, only c.5 ha of the WMI would be available to meet the needs of South Staffordshire.
- 1.3 Even if it was accepted that this was within the Council’s remit, Richborough asserts that the scale of the Black Country’s unmet need is such that the Council should look to allocate further employment land within the District. Studies referenced in this report indicate that there is an unmet need for 73.64 ha for Birmingham City (potentially rising to 98 ha if certain adjustments are made) and between 212 and 232 ha of employment land for the Black Country (falling to 140-153 ha taking into account Shropshire’s contribution and the WMI).
- 1.4 In light of this, Richborough considers that the objectively assessed need forecast within the EDNA of 63.6 ha over the period 2020-2040 is insufficient and risks constraining economic growth within the District. Richborough further believes that the provision of 36.6 ha and the WMI does not represent a ‘proportionate’ contribution to meeting wider unmet needs across the Functional Economic Market Area [FEMA]. Richborough has concerns regarding the robustness of the EDNA’s employment land calculations, which are excessively complicated and rely on mixing and matching projections. Our analysis has identified inconsistencies in the modelling which, if corrected, would increase the overall requirement significantly. Our concerns include the following key points:
- There are inconsistencies and errors in the modelling and clear omissions in the modelling (particularly in regard to the exclusion of a vacancy adjustment, the lack of a margin of choice in the past completions scenario, the scale of loss replacement and the adjustment for homeworking) that would increase the overall requirement significantly;
-

- The completions trend scenario underplays the scale of need by excluding a margin of choice and the substantial levels of strategic sites that have come forward in recent years;
- Logistics is under-represented in the modelling and the forecasting does not reflect the substantial recent growth in the sector in recent years nor the market intelligence which points to identified shortfalls in available industrial floorspace in South Staffordshire of all sizes and unprecedented demand for large logistics in this prime location;
- The Growth Scenario is not aspirational enough and should apply a percentage growth rate to the District-level figure. The current approach suppresses logistics needs compared to recent trends;
- The WMI is an important contributor to wider strategic needs but it is not the role of this EDNA to attempt to quantify how much of its land actually contributes to the needs of South Staffordshire District – this has already been calculated on a consistent basis for the wider region. The resultant figure, of 5 ha, is far below the EDNA's 18.8 ha calculation;
- SPRU's approach to calculating strategic needs assumes that the Experian-based Growth Scenario factors in all of the strategic requirement, when this is not the case – the very modest addition of 44 jobs per annum to uplift the Transport & Storage sector growth is insufficient to meet likely future growth needs and should be significantly in excess of that figure.
- The EDNA's identification of 36.6 ha unmet need contribution from the current supply is unfounded. The calculation is based on past trends completions that do not include 'true' strategic take up from JLR, Amazon and Gestamp, and bakes in strategic needs of just 0.2 ha of B8 logistics;
- Fundamentally the EDNA does not model the strategic employment land needs of the FEMA as a whole and then attempt to justify South Staffordshire's contribution. That should be the remit of a wider strategic study. Until that exercise is completed, it cannot be said with conviction that 36.6 ha plus the WMI represents a 'proportionate' contribution to meeting wider needs across the FEMA.

1.5 To address these concerns, we have conducted our own detailed analysis which has demonstrated the following:

- Our analysis, with appropriate adjustments made to vacancy rates, a margin of choice, loss replacement and uplifting the growth sectors by the CAGR, results in a significant increase in the requirement.
- The amended Experian baseline starting point equates to 52 ha, rising to 115 ha for the Growth Scenario if suitable adjustments are made to allow for success in attracting jobs based on the Local Economic Partnership's [LEP] growth sectors and logistics.
- The equivalent figures would increase to between 96 ha and 160 ha if a higher margin of choice is factored in to reflect strategic site delivery.

1.6 In this context, an alternative site assessment has examined other potential sites to the Land at Gailey Lea Farm, which could help to address this unmet need. The assessment evaluates alternative sites from within the FEMA against a set of established criteria and

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demonstrates that the Land at Gailey Lea Farm is the most appropriate site for a large employment development. The Land at Gailey Lea Farm is ideally positioned to meet South Staffordshire's indigenous needs as well as contributing towards meeting the very substantial unmet strategic logistics needs across the Black Country and beyond. It is therefore our position that it should be released from the Green Belt accordingly in the Local Plan Review.

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## 3.0 Introduction

### Purpose of this Report

- 3.1 This Employment Land Needs Assessment has been prepared by Lichfields on behalf of Richborough to examine the quantitative need for industrial/warehousing development in South Staffordshire District.
- 3.2 It accompanies formal representations to the Regulation 19 consultation on the South Staffordshire Publication Plan (November 2022) and relate to Richborough's land interests at **Land at Gailey Lea Farm, Gailey Lea Lane, South Staffordshire** ('the Site'). Importantly, these representations relate to Richborough's interests at the Site only. Richborough is promoting other sites for residential uses within the District, and have commented on non-employment related matters in each set of respective representations where necessary.
- 3.3 Richborough seeks to work constructively with South Staffordshire District Council ("the Council") as it progresses towards the submission and adoption of the Local Plan to ensure that sufficient employment land has been allocated to meet the needs of the wider South Staffordshire Functional Economic Market Area and trusts that the comments contained within this document will assist Officers in this regard. In due course, Richborough would be pleased to meet with the Council to discuss the opportunities presented by the Site.
- 3.4 The Council's Economic Development Needs Assessment 2020-2040 (prepared by SPRU in June 2022) has recently been published. This ELNA provides a detailed critique of this report and others that provide a steer regarding the scale of strategic industrial and warehousing land needed across the wider FEMA.
- 3.5 South Staffordshire District Council has acknowledged as part of its emerging Local Plan Review that in order to meet these growth requirements, it is likely that it will need to make provision for the strategic release of land from the Green Belt, which we welcome as a pragmatic approach to the problem.
- 3.6 It is our view that the proposed development site on land at Gailey Lea Farm is ideally located to meet these needs and should be released from the Green Belt accordingly in the Local Plan Review.

### Site Description

- 3.7 The Gailey Lea Farm Site falls within the administrative boundary of South Staffordshire Council ("the Council") and comprises c.87 hectares [ha] of greenfield and brownfield land, currently utilised as agricultural fields, agricultural farms and associated buildings. The Environment Agency's Map identifies the site as being located within Flood Zone 1 and being at low risk of flooding. There are no heritage assets on the site.
- 3.8 The site is situated north of the A5 and Gailey Lea Upper and Lower Reservoirs, to the east of the M6, and to the south of Fullmore Wood Ancient Woodland, and is currently designated as Green Belt. Gailey Lea Lane connects to the A5 to the south of the site. The surrounding area to the site could be generally characterised as agricultural, with several large rural dwellings/farms within the area; together with stretches of ribbon development

along the A5 towards Cannock. To the south-west of the site beyond the M6, is the location for the recently approved<sup>1</sup> c.300 ha West Midlands Interchange, which comprises an intermodal strategic rail freight interchange terminal [SRFI], c.743,200 sqm of rail-served warehousing floor space, a small amount of space for ancillary buildings and storage areas, along with at least c.108 ha of on-site Green Infrastructure.

3.9 The Gailey Lea Farm Site’s location is illustrated in Figure 3.1:

Figure 3.1 Gailey Lea Farm Site Location Plan



Source: Lichfields

3.10 Richborough is proposing a new high-quality employment site at Gailey Lea Farm. The Site is ideally located to capitalise on the approval of the adjacent WMI – separated by the M6 – and therefore its proximity to both the Strategic Road Network [SRN] and the SRFI. The WMI will have a significant urbanising impact on the Green Belt land surrounding it and will – importantly – heighten the importance of Junction 12 of the M6 as Strategic Road Network junction for HGV vehicles travelling to and from the WMI.

3.11 The WMI SRFI, located west of Junction 12 of the M6, will connect into the West Coast Main Line, one of the country’s principal rail freight routes. The primary role of the SRFI is to provide new rail-served and rail-linked warehousing allowing the West Midlands, the Black Country, Staffordshire and Birmingham’s important logistics industry to grow. Importantly, the SRFI will be an open-access intermodal terminal, operated by an independent service provider, but open to all users and train operators. This will enable other employment sites within the District to capitalise on this modal shift of freight within the area. It is clear that the WMI will play a crucial role in the wider region’s economic future and is likely to draw significant interest from regional and national businesses within the area.

<sup>1</sup> A Development Consent Order application was submitted to the Planning Inspectorate on 3 August 2018 and approved by the Secretary of State in May 2020.

- 3.12 In this regard, the Site is ideally located in an area that will appeal to regional and national companies looking to capitalise on the opportunity and connections presented by the recently approved WMI, whether that be manufactures, or rail-linked storage and warehousing.
- 3.13 As such, Richborough’s ‘Vision’ for the Site comprises a high-quality, sustainable, attractive and accessible development, complementing the existing WMI in the area.
- 3.14 An indicative masterplan has been prepared which demonstrates how the Site could deliver approximately **c.228,000 square metres [sqm] of high-quality B8/Logistics floorspace**, together with attractive open space, other supporting infrastructure and a visual buffer of planting along the northern Site edge to create a defensible boundary.
- 3.15 Importantly, Richborough considers that the release of the Site from the Green Belt, and allocation of the site for employment in the emerging Local Plan Review, would unlock the Site’s position along this key employment corridor on the SRN and next to the open-access SRFI and secure long-term success and economic growth in South Staffordshire and across the FEMA more widely.

### **Approach**

- 3.16 The approach to this ELNA follows national guidance on planning for business needs and economic development as set out in the National Planning Policy Framework [NPPF] and the accompanying Planning Practice Guidance [PPG]. It is intended to supplement and critique the EDNA prepared by SPRU in June 2022 to ensure that the emerging South Staffordshire Local Plan’s employment evidence is robust and justified and meets the test of soundness. In this regard it provides a high-level overview of employment land need and supply in South Staffordshire District, with some further commentary on the wider needs given the FEMA South Staffordshire sits within. This comprises the impact area for the assessment as these are anticipated to be the areas where the bulk of the residents commuting into the proposed site on land at Gailey Lea Farm are likely to live given its location to the east of the M6/north of the A5. This part of the Black Country / South Staffordshire is also likely to form the main area of search for occupiers considering alternative locations in its vicinity serving a similar market catchment, hence it makes sense to assess the demand and supply across South Staffordshire District.
- 3.17 In preparing the ELNA, Lichfields has undertaken the following actions:
- 1 Reviewed key planning policy documents and economic growth studies produced for South Staffordshire District Council as well as other published sub-regional studies and information that relate to economic strategies, property markets, and relevant business and economic statistics; and,
  - 2 Interrogated the latest available economic data and forecasts produced to inform the Council’s EDNA (June 2022) to underpin the emerging South Staffordshire Local Plan Review, run our own scenarios to come to an adjusted industrial and warehousing land requirement figure, and reviewed other available and relevant commercial property market data including Co-Star.

## Study Limitations

- 3.18 Given the tight timeframe for responding to this consultation on the emerging South Staffordshire Publication Plan, this note does not in itself assess the quantitative needs of 'big box' logistics developments; nor does it consider in detail the supply side factors. For the purposes of this Technical Note, we have sought to critique what SPRU has done, undertaken an alternative assessment, whilst providing a more coherent and transparent output.

## Report Structure

- 3.19 This report is structured as follows:

- Section 2.0 reviews relevant planning documents and economic growth studies produced for South Staffordshire as well as other published sub-regional studies and information that relate to economic strategies, property markets;
- Section 3.0 outlines the baseline conditions for South Staffordshire's economy relative to benchmarks, including an overview of the current stock of employment floorspace within this part of Staffordshire and the Black Country. It also provides a summary of the considerations influencing the extent of the FEMA that South Staffordshire sits within;
- Section 4.0 critiques the Councils' existing economic evidence base, with a focus on the 2022 EDNA;
- Section 5.0 analyses Industrial/Warehousing floorspace requirements across the study area based on Lichfield' modelling; and,
- Section 6.0 provides a comparison against the alternative sites that are either being promoted, or proposed to be allocated;
- Section 7.0 draws together the overall conclusions and implications.

## 4.0 Policy Context

### Introduction

4.1 This section provides a summary of the relevant policy documents and evidence base relating to employment land and economic development within South Staffordshire District and the surrounding area.

4.2 The National Planning Policy Framework [the NPPF] places a particular emphasis on sustainable development through a process of:

- 1 Reviewing employment land allocations to ensure the supply meets identified needs;
- 2 Proactively supporting sustainable economic development to deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs; and,
- 3 Encouraging the effective use of land by re-using land that has been previously developed (brownfield land), with a view to promoting regeneration.

### National Planning Policy Framework

4.3 The revised July 2021 NPPF sets out the Government's economic, environmental and social planning policies for England. It states that the purpose of the planning system is to contribute to the achievement of sustainable development [§7]. Paragraph 8 expands on this theme, explaining that achieving sustainable development means that the planning system has three over-arching objectives, which are interdependent and need to be pursued in mutually supportive ways: economic, social and environmental. The economic objective is to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity; and by identifying and coordinating the provision of infrastructure.

4.4 The NPPF [§20] states that strategic policies should set out an overall strategy for the pattern, scale and quality of development and make sufficient provision for a range of uses, including employment and other commercial development.

4.5 Paragraph 31 requires that all policies should be underpinned by relevant and up-to-date evidence. *“This should be adequate and proportionate, focused tightly on supporting and justifying the policies concerned, and take into account relevant market signals.”*

4.6 The NPPF also sets out the ‘tests of soundness’, whereby Local Plans and spatial development strategies are examined to assess whether they have been prepared in accordance with legal and procedural requirements, and whether they are sound as a consequence. Plans are ‘sound’ if they are:

- a **Positively prepared** – providing a strategy which, as a minimum, seeks to meet the area’s objectively assessed needs; and is informed by agreements with other authorities, so that unmet need from neighbouring areas is accommodated where it is practical to do so and is consistent with achieving sustainable development;
- b **Justified** – an appropriate strategy, taking into account the reasonable alternatives, and based on proportionate evidence;
- c **Effective** – deliverable over the plan period, and based on effective joint working on cross-boundary strategic matters that have been dealt with rather than deferred, as evidenced by the statement of common ground; and



- d **Consistent with national policy** – enabling the delivery of sustainable development in accordance with the policies in this Framework and other statements of national planning policy, where relevant. [§35]

4.7 Section 6 of the NPPF summarises how the planning system should help build a strong competitive economy:

*“Planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. **Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development.** The approach taken should allow each area to build on its strengths, counter any weaknesses and address the challenges of the future. This is particularly important where Britain can be a global leader in driving innovation, and in areas with high levels of productivity, which should be able to capitalise on their performance and potential.”* [§81] (Lichfields’ emphasis)

4.8 The NPPF [§82] indicates that local planning authorities [LPAs] are required to ensure that Local Plan policies set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to Local Industrial Strategies [LIS] and other local policies for economic development and regeneration. They should set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period, and seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment. The NPPF also requires planning policies to be sufficiently flexible to accommodate needs not anticipated in the plan, allow for new and flexible working practices (such as live-work accommodation), and to enable a rapid response to changes in economic circumstances.

4.9 Furthermore, planning policies and decisions should recognise and address the specific locational requirements of different sectors:

*“This includes making provision for clusters or networks of knowledge and data-driven, creative or high technology industries; **and for storage and distribution operations** at a variety of scales and in suitably accessible locations.”* [§83] (Lichfields’ emphasis).

4.10 The NPPF states that LPAs should ensure an integrated approach to considering the location of housing, economic uses and community facilities and services [§93 (e)].

## **Stoke-on-Trent & Staffordshire Strategic Economic Plan (2018)**

4.11 The Stoke-on-Trent & Staffordshire Strategic Economic Plan [SEP] was updated in April 2018 and seeks to build on the successes of the original SEP. Its vision for the period 2017-2030 is to create an economic powerhouse driven by the transformation of Stoke-on-Trent into a truly competitive and inspiring Core City and enabling the growth of a thriving economy throughout the connected county of Staffordshire where everyone has the opportunity to access a better job.

4.12 The previous SEP outlined the LEP’s ambition to grow the local economy by 50% and generate 50,000 new jobs over a 10-year period. The strong growth in the number of jobs in the area means that the area is easily on track to develop 50,000 new jobs by 2024. However, generating jobs to enable the previously large unemployed cohort of residents to get work has meant that the types of jobs created have not yet enabled the LEP to achieve

its aim of growing the local economy by 50%. The previous ambition of 50:50:10, growing the economy by 50% and generate 50,000 new jobs in the next 10 years, remains a challenging target that the LEP will continue to work towards.

4.13 The LEP's economic growth agenda is based on recognised strengths in key aspects of advanced manufacturing, whilst the diverse nature of our economy means the area also continues to have a number of other sector strengths which the LEP aims to fully exploit.

4.14 These Key Sectors are as follows:

- **Advanced Manufacturing sectors:** particularly energy; auto-aero; medical technologies; agri-tech and applied materials.
- **Digital Economy:** accelerating the adoption of digital technology across our advanced manufacturing sectors and aid the development of our key sectors;
- **The Visitor Economy:** one the biggest private sector employers in Staffordshire and offers a wide variety of long-term careers as well as fixed-term & summer jobs;
- **Business / Professional Services:** There is a continuing need to support their growth within the area to ensure that these services;
- **Construction:** Housing investment and delivery is vital to the economic prosperity of Stoke-on-Trent and Staffordshire and supporting the investment and infrastructure, including HS2, is critical to our long-term economic growth. The LEP aims to ensure the workforce can take advantage of the opportunities presented by this investment;
- **Creative Industries:** Whilst not highlighted as a specific key sector in its own right, creative industries form a significant part of a number of these key sectors and the local economy as a whole and this has strengthened considerably in recent years.

4.15 The SEP noted that whilst these sectors will contribute to the development of a more diverse, high-value Stoke-on-Trent and Staffordshire economy, it will also be important to continue to support all our existing businesses.

4.16 Regarding employment sites, the SEP states that an analysis of the local market demonstrates that Staffordshire / Stoke on Trent faces a challenge to deliver the right volume and mix of employment sites. A large proportion of the land that is currently allocated in local plans is not genuinely available, because the critical upfront investment needed to unlock sites has not been made. Evidence from Breeze Strategy and others suggests that constraining factors include:

- *“Remediation: an issue across our area, but particularly so for brownfield sites.*
- *Transport constraints: both in terms of opening up physical site access and ensuring connectivity to labour markets.*
- *Wider infrastructure: connectivity to appropriate (and future facing) digital and energy infrastructure.*

*Consequently, a number of our priority sites have been delayed for over ten years. This has important implications:*

- *Inward investment: potential investors are put off by the delays and costs required to bring sites forward, especially given strong competition from neighbouring areas. Our supply of immediately available sites in parts of Stoke-on-Trent and Staffordshire is increasingly under pressure.*

- *Existing businesses: despite considerable opportunities for growth, the shortage of suitable land is acting as a brake on the expansion of local businesses.*

*Investment in remediation and infrastructure (particularly transport, digital connectivity and energy infrastructure), will play a crucial role in supporting sustainable economic growth more generally. Without it the supply chain opportunities that exist will potentially be lost to both the SSLEP area and the UK as a whole” [paragraphs 5.17-5.18]*

## **Black Country Economic Development Needs Assessment (2017) and Update (2021)**

- 4.17 The Black Country Economic Development Needs Assessment [EDNA] was published in 2017. An update to the EDNA was released in 2021 which establishes the employment land needs of the Black Country to 2039 taking account of changes in the use of employment space because of the Covid-19 pandemic.
- 4.18 In particular, the EDNA update notes that manufacturing remains a transformational sector for the sub-region alongside logistics, construction, low-carbon technologies and health. On the pandemic’s impact on logistics space demand, the update states the following:
- 4.19 *“At the same time, the COVID-19 pandemic has fuelled e-commerce, storage and deliveries resulting to increased demand and tighter markets for logistics space requirements (B8 Use Class). As stated in a recent research paper that explored the implications of the Big Box Market for the Black Country authorities, 2020 saw a quantum leap, with some of the key facts and figures as follows:*
- *Occupier take up in 2020 for Big Box units (i.e. 100,000 sq ft plus) 64% up on 2019 and 43% higher than the five-year annual average.*
  - *Of the total floor space taken up in 2020, almost 80% (i.e. 28.3 million sq ft (2.6 million sq m) was for new space.*
  - *Availability of Grade A floor space decreased by 15% over the course of 2020.*
  - *The vacancy rate of Big Box Grade A space fell to 7% of total stock across the UK” [paragraph 1.4]*
- 4.20 The EDNA update explores future demand based on two scenarios, the first of which assumes the economy returns to pre-pandemic levels of growth and the second which assumes that following a decrease in GVA/employment in 2020/21 local economies move on an accelerated trajectory back to where they would have been by 2039. These are compared against past completions. Overall, the EDNA update finds that:
- “Taking all these issues into consideration, it would be both realistic and ambitious for the Black Country Plan to seek to provide for a land requirement based on a minimum of the high past trends’ scenario (502 ha) and up to the medium GVA-based scenario (522 Ha) over the period to 2039. This range would equate to 26.4-27.5 ha per annum. The high GVA-based scenario (806 ha) would equate to 42.4 ha per annum and this would be 160% above the highest past completion trends.” [paragraph 2.21]*
- 4.21 The EDNA update notes that of this requirement, the plan should seek to provide for around 30% of B8 activity and 70% E(g)(ii)/(iii)/B2. This would require 30-31 ha of employment land per annum, which equates to a 11-12 ha undersupply of employment land per annum or **212-232 ha undersupply** over the plan period.

4.22 The EDNA considers that **South Staffordshire forms a part of the wider Black Country FEMA:**

*“As noted in the 2017 EDNA 1, the Black Country represents a clearly defined geographical unit, with strong employment and labour market links to parts of the hinterland, in particular, Birmingham and South Staffordshire. This would suggest a FEMA comprising of the Black Country Authorities, based on well-established socio-economic, market and administrative relationships, and a wider ‘area of strong economic relationships’ that consists of an area of strong economic interactions with Birmingham and South Staffordshire, and economic interactions of lesser strength with other areas on the edge of the Black Country. In addition, the Shropshire Economic Development Needs Assessment (December 2020) highlights strong labour market linkages between Shropshire and the Black Country” [paragraph 4.4].*

4.23 The EDNA proceeds to estimate the overall difference/gap between supply and demand to meet future growth needs in the Black Country taking into consideration potential contribution to be made through current Duty to Cooperate arrangements across the wider FEMA. It states that this level of contribution represents the minimum anticipated and based on discussions to date has the potential to be higher as other neighbouring Local Plans progress, with the Black Country already having made representations to the Stafford, Cannock Chase, Lichfield and Telford Local Plan reviews requesting that they consider making a contribution towards meeting needs arising in the Black Country.

Figure 4.1: External Employment Land Supply for Black Country Needs

Outside the Black Country/External Contributors	Estimated Supply (Ha)
South Staffs Surplus (as per EDNA <sup>27</sup> )	19
West Midlands Interchange apportionment <sup>28</sup>	72 - 94
Shropshire (Regulation 19 Plan)	30
<b>Total</b>	<b>121 -134</b>

Source: Black Country Authorities (2021): Black Country EDNA Update, Figure 4.3

4.24 Regarding the demand/supply balance set out above, the EDNA update notes:

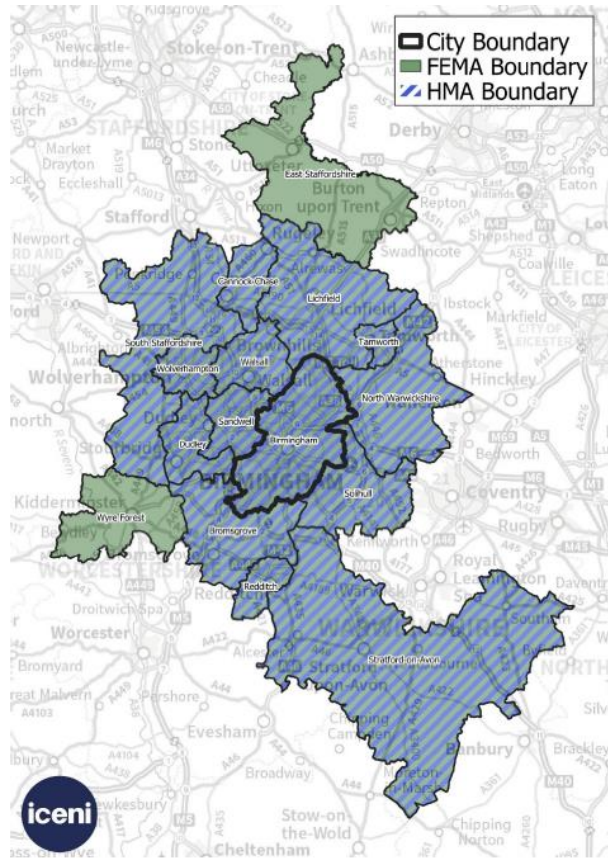
*“External contributions have the potential to reduce significantly the estimated gap in employment land requirements for the Black Country. For example, 121 ha of contribution from outside the Black Country would mean that the undersupply of employment land requirements to meet market, growth and replacement demand in the Black Country would reduce to 91-111 ha.” [paragraph 4.7]*

## **Birmingham Housing and Economic Development Needs Assessment (2022)**

4.25 The Birmingham Housing and Economic Development Needs Assessment [HEDNA] was produced on behalf of Birmingham City Council by Icen Projects in April 2022, which may include South Staffordshire in its FEMA as indicated in Figure 4.2.



Figure 4.2: HMA and FEMA Boundary



Source: Icen Projects (2022): Birmingham HEDNA, Figure 2.1

- 4.26 In the HEDNA, Icen used a completions trend projection, based on annual completions of 30,291 sqm of industrial and 18,879 sqm of warehousing (49,170 sqm in total). Projected forward 20 years, this results in a need for 983,400 sqm of industrial and warehousing floorspace, equivalent to 197 ha of land. A 7.5% vacancy margin is added on, equivalent to 14.8 ha for industrial / warehousing (1.4 ha for office).
- 4.27 The HEDNA then applies a margin of flexibility equal to 5 years of gross completions for industrial / distribution floorspace and 2 years for office floorspace, which adds a further 19.7 ha / 2.4 ha respectively. It also seeks to boost the supply by bringing the current vacancy level back up from 2.1% to between 5% and 7.5%, which it calculates as adding between 37.6 ha and 70 ha to the industrial / warehousing requirement.
- 4.28 Table 4.1 indicates that there is a gross need for 453,900 sqm of office floorspace / 22.7 ha of land and **1,343,500 sqm / 268.7 ha of industrial and distribution floorspace / land.**

Table 4.1 Employment Land Needs 2020-2040

	Offices				Industrial and Distribution				
	Net Need	Flex Margin	Future Vac Margin	Gross Need	Net Need	Flex Margin	Future Vac Margin	Current Vac Margin	Gross Need
2040 sqm	378,000	47,500	28,400	<b>453,900</b>	983,400	98,300	73,800	188,000	<b>1,343,500</b>
2040 ha	18.9	2.4	1.4	<b>22.7</b>	196.7	19.7	14.8	37.6	<b>268.7</b>

Source: Icen Projects (2022): Birmingham HEDNA, Table 19.15

- 4.29 Icen then analysed the potential supply of employment land based on site visits including vacant plots and potential redevelopment areas. A shortfall of around 52.8 ha of industrial and distribution land is apparent to 2040 when excluding the larger cleared HS2 sites (based on a supply of 215.9 ha). There is a surplus, however, if HS2 sites are included.

Table 4.2 Employment land needs balance 2020-2040

Offices (sqm)				Industrial and Distribution (ha)				
Gross Need	Permissions	Other	Balance (all supply)	Gross Need	Supply (all assessed)	Balance (Assessed Supply)	Potential Supply of HS2 sites	Balance (incl. HS2 sites)
453,900	404,683	218	<b>+169,800</b>	268.7	215.9	<b>-52.8</b>	73.6	<b>+20.8</b>

Source: Icen Projects (2022): Birmingham HEDNA, Table 19.16

- 4.30 The Icen HEDNA forms a key part of the economic evidence base that has informed the recently issued Birmingham Local Plan Issues and Options Document (October 2022). In contrast with the HEDNA, the emerging Local Plan is planning for a longer timer period of 22 rather than 20 years, ranging from 2020 to 2042. This means that the HEDNA and the emerging Local Plan are not in full alignment. The Issues and Options Document states that “*the HEDNA identifies a need for 295.6 ha of employment land over the plan period.*” As can be seen from Table 4.2 above however, this is not correct; the need identified is for 291.4 ha of office and industrial/warehousing land over a slightly shorter plan period. If the 268.7 ha need is pro-rata’d over 22 rather than 20 years, then this equates to the 295.6 ha but again this is incorrect as the Plan should only be pro-rata-ing the net need and vacancy margin and not the 5-year margin of choice.
- 4.31 **The BLP Issues and Options document suggests that the need figure for Birmingham is 295.6 ha, set against a supply of 221.96 – hence an unmet need for 73.64 ha to be found through the preparation of the Plan.**

## South Staffordshire Core Strategy 2012

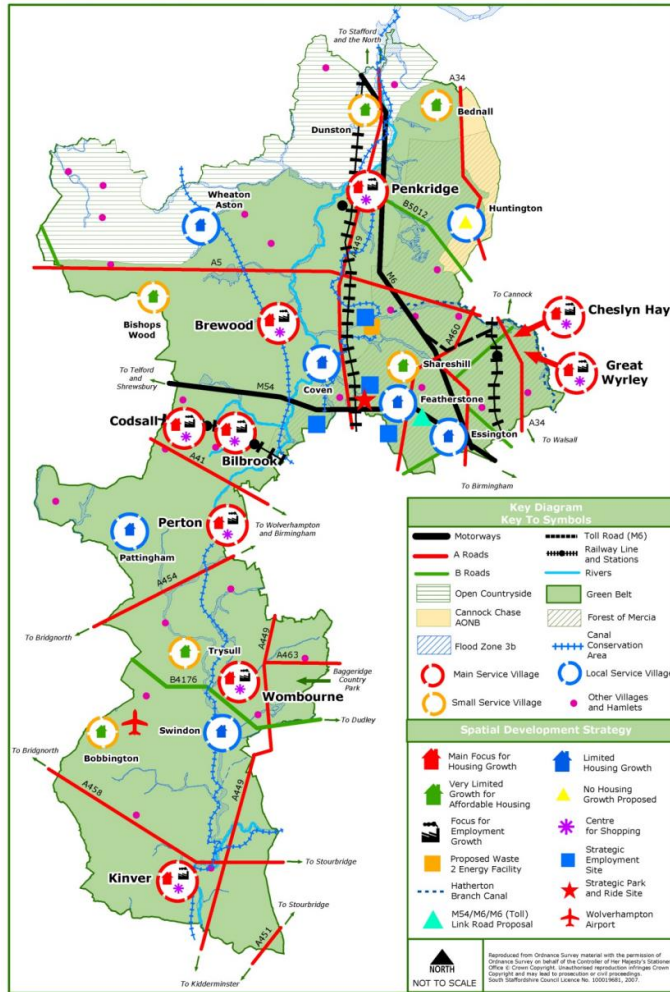
- 4.32 The current South Staffordshire Core Strategy [SSCS] was adopted in December 2012 and covers the period 2006 to 2028. The Plan sets out the long-term vision for maintaining and enhancing the villages and countryside of South Staffordshire, including the natural and historic environment and character of the wider rural landscape. The vision aims to ensure that they will be places where sustainable safe communities have been encouraged to thrive and where local people, families and the elderly enjoy access to a broad range of well-designed housing (including affordable housing and specialist housing), enjoy access to a good range of employment opportunities and enjoy improved access to local services and facilities (including shops, social, medical and educational facilities, open space, outdoor and indoor sports facilities).

- 4.33 The potential development site at Gailey Lea Farm is located in Locality Area 1, the Northern Area. The vision for this locality is that planned and carefully managed housing growth, which will have contributed to meeting its local needs, will have taken place and key services and facilities delivered and maintained at local community level. The redevelopment and regeneration of the former Littleton Colliery site at Huntington will have been completed and a new school and community facilities provided to serve the local community. Within the locality area, development in the Green Belt and Open Countryside will have been managed in order to maintain the separation and distinctiveness of villages, with protection for the environment and appropriate countryside uses, including support for farm diversification schemes.
- 4.34 A series of strategic objectives aim to facilitate economic vibrancy in the District. Strategic Objective 9 aims to meet local housing and employment needs, having regard to the Spatial Strategy for South Staffordshire, in a way that enables the existing villages within South Staffordshire to develop in a sustainable way that secures their future viability and prosperity, and supports the regeneration of rural communities and communities in neighbouring urban areas. Strategic Objective 10 aims to support the urban regeneration of the Black Country Major Urban Area by distributing new housing and employment growth within South Staffordshire in a way that supports existing local communities and in particular discourages out-migration from the Black Country Major Urban Area. Strategic Objective 11 aims to support the growth of a vibrant, prosperous and sustainable local economy; sustain, improve and enhance the vitality and viability of village centres and promote South Staffordshire as a tourist destination.
- 4.35 Core Policy 7 relates to Employment and Economic Development. The Policy states that the Council, working in partnership with businesses and local communities, will support measures to sustain and develop the local economy of South Staffordshire and encourage opportunities for inward investment and further economic development of the District. The Council will support the development of creative and high technology industries at strategic employment sites in suitable locations within South Staffordshire. Measures to sustain the development of key economic sectors in the District, particularly manufacturing, storage and distribution, the service and tourism sectors will be encouraged and supported.
- 4.36 The Policy states that the Council will support the delivery of the strategic employment sites at i54 Wobaston Road and Hilton Cross. Support will also be given for the development of ROF Featherstone/Brinsford for general employment use. In addition to these four freestanding strategic employment sites, the focus for economic growth, development and investment will be on the Main Service Villages identified in the settlement hierarchy in Core Policy 1.
- 4.37 The Policy goes on to state that:
- “Employment development will be expected to contribute to the achievement of sustainable development . The priority will be for the re-use of previously developed land (brownfield land) in sustainable locations, provided it is not of high environmental value; that is accessible by public transport, walking and cycling and development should be appropriate in scale and design to the location for which it is proposed. Mixed use sites incorporating high quality layouts, landscaping and design will be supported in appropriate locations.”*

- 4.38 It states that the Council will seek to ensure that a supply of employment land is readily available in South Staffordshire to meet justified development needs for general employment development throughout the plan period, whilst recognising the constraints that impact upon the District.
- 4.39 The Core Strategy Table on page 131 indicates that the District's employment land supply comprises 7.73 ha of 'new' land available with planning permission, plus 31.52 ha of 'redevelopment' land; 106.86 ha of 'high technology land', of which 101.93 ha relates to i54 Wobaston Road; 14.00 ha of allocated land at the Royal Ordnance Factory, Featherstone; and 11.65 ha of land already completed between 2006 and 2010. This comes to a total supply of 171.76 ha available for employment use between 2006 and 2028.
- 4.40 In terms of how this relates to need, the explanation to Core Policy 7 states that the West Midlands Regional Spatial Strategy [WMRSS] Phase 2 Revision set an indicative target of 24 hectares of land for general employment development for the period 2006-2026 including a rolling five-year reservoir of 8 ha of land including both new land and redevelopment land. The strategic sites at i54 Wobaston Road and Hilton Cross will contribute to the portfolio of employment land in South Staffordshire, which will provide important new job opportunities and give a valuable economic boost to the District. The Council states that it will continue to support the development of these important sites and the redevelopment of ROF Featherstone/Brinsford for general employment use
- 4.41 The WMRSS contained a policy relating to the provision of a Regional Logistics Site (RLS) to serve the needs of the Black Country, and local authorities within Southern Staffordshire have been identified as an area of search for such a facility. The Council accepts that the RLS issue remains outstanding and that a comprehensive study should now be set in train.
- 4.42 The supporting text goes on to state that the Council will continue to support existing employment sites for employment use both within villages and rural locations and will support proposals that would result in better, higher quality and more modern employment facilities where these are consistent with other policies. The proposed strategy will be to protect existing employment sites and proposals for the redevelopment, modernisation and expansion of sites for employment use will be supported in accordance with the suite of policies within the Economic Vibrancy chapter.



Figure 4.3: South Staffordshire's Key Diagram



Source: SSDC (2012): Core Strategy DPD

## South Staffordshire Site Allocations Document [SAD] (2018)

- 4.43 The Site Allocations Document [SAD] was adopted by South Staffordshire District Council in September 2018. The SAD sets out site specific proposals and policies for the use of land to guide future development, in order to help to deliver the vision and objectives of the Core Strategy.
- 4.44 The supporting text to Policy SAD5: *New Employment Land in South Staffordshire*, sets out that the Core Strategy supports ‘modest extensions’ to the four freestanding Employment Sites (i54 South Staffordshire, ROF Featherstone, Hilton Cross and Four Ashes) subject to appropriate evidence and justification to underpin their expansion. In addition, where justified by evidence, the Core Strategy makes further allowance for safeguarded land for employment, and/or employment uses as part of a mixed use development in the Main Service Villages; and this would be allocated through the SAD if warranted.

- 4.45 The SAD notes that the ELS identifies an oversupply of 12.3ha of employment land to meet South Staffordshire’s local employment needs. However, in light of the findings of the Black Country and South Staffordshire Sub Regional High Quality Employment Land Study 2014/15, the Council has sought to allocate modest extensions in the SAD to help to meet these wider regional needs.
- “A high bar is clearly set by Core Policy 7 and paragraph 83 of the NPPF in terms of the evidence required to justify the release of Green Belt around strategic employment sites. Therefore, it is not considered appropriate to alter Green Belt boundaries around the four strategic employment sites to accommodate additional safeguarded land when the evidence required to deliver the Core Strategy indicates no demonstrable local need arising from South Staffordshire at present. Any additional longer term needs for high quality employment land arising from the Black Country would more appropriately be considered as part of the Black Country authorities’ review of the existing Black Country Core Strategy. This is supported by the Black County Authorities.”* [paragraph 9.19]
- 4.46 However, the SAD goes on to note that the suite of Employment Land Studies since the adoption of the Core Strategy, including the sub-regional ELS 2015, have identified that there is a gap of High Quality (HQ) employment land in the Black Country between 2014-2026. The sub-regional ELS 2015 concluded that it is not for South Staffordshire to meet the total shortfall, as a large part of the identified need originates from Sandwell where there is little travel to work connectivity with South Staffordshire. The SAD identifies additional land to meet some of the High Quality Employment Land needs, however any residual shortfall in sub regional employment land will be considered in the Local Plan review process. This is supported by the Black Country.
- 4.47 The sub-regional ELS 2015 concluded that the national significance and market attractiveness of i54 South Staffordshire, and the policy requirement and need to deliver ROF Featherstone, marked these out as the priority sites that would be able to meet a significant proportion of the Black Country shortfall of High Quality Employment Land between 2014 and 2026. In recognition of the Black Country shortfall in High Quality Employment Land, and the economically significant role of i54, the Council proposes to allocate additional employment land at i54 South Staffordshire to meet Black Country and wider regional employment needs in accordance with Policy SAD5: Employment Land Allocations.
- 4.48 This extension relates to land to the west of i54 for a **40 ha** extension allocation of B2/B8 land.
- 4.49 The SAD also proposes to allocate additional employment land at ROF Featherstone to meet Black Country and wider regional employment needs in accordance with Policy SAD5: Employment Land Allocations. This is in recognition of the Black Country shortfall in High Quality Employment Land, the local priority to deliver the longstanding employment allocation, and the potentially economically significant role, locally and regionally, of ROF Featherstone.
- 4.50 An additional B1/B2/B8 employment land allocation extension was therefore provided for at ROF Featherstone, on land to the east and west. Policy SAD5 defines this as *“an extension to deliver up to 12 ha additional employment land on top of the existing 24 ha of land in ROF Featherstone Development Boundary.”* The Policy goes on to state that

support in principle for an additional 12 ha of employment land, and B8 use is embedded in an enabling development component of delivering a strategic scheme and subject to the appropriate mitigation measures being implemented.

- 4.51 The supporting text to this Policy goes on to state that the Core Strategy recognises employment cross-boundary issues, and the requirement to consider if a Regional Logistics Site is needed in light of the WMRSS evidence base. In June 2012 a number of local authorities in the Black Country and Staffordshire commissioned URS to consider the need for regional logistics provision to serve the Black Country and southern Staffordshire; and, dependent on the findings, make recommendations for a suitable location. Stage 1 of the study concluded that there is a need for a RLS facility that can serve the Black Country and southern Staffordshire, but only insofar as they form part of the wider West Midlands, which taken as a whole region, has a need:

*“It is recognised that the issue of an RLS/SRFI remains outstanding. However, it is also recognised that an RLS would require a scale of development beyond a ‘modest extension’ and therefore seeking to resolve this issue in the SAD would be contrary to the adopted Core Strategy, and therefore will be considered in the Local Plan Review”* [paragraph 9.33].

- 4.52 The SAD does not propose any additional employment land release in South Staffordshire, other than land identified in Policy SAD5: Employment Land Allocations:

*“It is not appropriate for South Staffordshire to meet the entire Black Country High Quality employment land shortfall, and the sub-regional ELS 2015 recommended that any residual High Quality employment land requirements should be considered in the review of both the Black Country and South Staffordshire Local Plans. This will ensure that a comprehensive strategic review of employment sites can take place and deliver land in the right locations. Future employment land will be considered in accordance with Policy SAD1: The Local Plan Review”*. [paragraph 9.34].

## **South Staffordshire Publication Plan (2022)**

- 4.53 The South Staffordshire Publication Plan [SSPP] was submitted for Regulation 19 consultation from 11<sup>th</sup> November to 23<sup>rd</sup> December 2022. It is intended that the Local Plan will replace the Core Strategy (adopted in 2012) and accompanying SAD (adopted in 2018) as the Local Plan for the District. The SAD committed the Council to review its Local Plan to respond to the increasing need for development, both within South Staffordshire and in our neighbouring authorities, and it helped frame some of the key issues that the Local Plan needs to consider. The plan period for this Local Plan will be 2018-2039 and allocates the sites required to deliver the identified level of development needed. This includes residential and employment uses.
- 4.54 In setting the scene for the Plan, the SSPP notes that South Staffordshire has previously been a focus for inward investment resulting in substantial economic growth in the District in recent years. I54 South Staffordshire in particular has attracted internationally significant businesses such as Jaguar Land Rover, and the consent via a Development Consent Order [DCO] of the WMI Strategic Rail Freight Interchange is likely to see continued strong investment in the district.

- 4.55 It sets out a number of issues and challenges relating to economic prosperity in SSDC, including:
- *Key challenge of providing a mixed portfolio of employment in terms of quality, size and use classes*
  - *EDNA 2022 identifies a small oversupply of employment land and a potential contribution in meeting unmet needs of neighbouring authorities*
  - *Significant proportion of South Staffordshire’s population travels to work outside the district. The Black Country and other adjoining authorities’ economies are an important source of employment for residents and an important factor in the prosperity of the district*
  - *Over recent years South Staffordshire has aspired to provide more local jobs, reduce levels of out commuting and provide employment for our residents and those of neighbouring areas, such as through i54 South Staffordshire.*
  - *South Staffordshire EDNA (2022) identifies South Staffordshire as being in the same FEMA (Functional Economic Market Area) as Cannock Chase, Dudley, Stafford, Walsall and Wolverhampton. The Black Country authorities have a significant unmet need for employment land in their forthcoming plan period.*
  - *As South Staffordshire is in the same FEMA as three of the Black Country authorities the Local Plan needs to consider South Staffordshire’s role in meeting any cross-boundary needs*
  - *Inward investment opportunities should be fully harnessed at the strategic sites, including opportunities for further expansion of the sites where appropriate and feasible.*
- 4.56 Strategic Objective 2 of the SSPP is to: *“Meet the housing and employment needs of the district whilst making a proportionate contribution towards the unmet needs of Greater Birmingham and Black Country Housing Market Area and wider FEMA. New housing will be focused on sustainable locations within the district, either within or adjacent to the district’s key villages or through urban extensions adjacent to neighbouring towns and cities”.*
- 4.57 Strategic Objective 6 relates to economic prosperity and the opportunity to build a strong economy. In this regard the Plan’s objective is to: *“Develop an economic strategy that seeks to retain existing employment and fosters sustainable economic growth, encouraging inward investment and job creation in key sectors such as advanced manufacturing and providing the skills to enable residents to access these jobs”.*
- 4.58 In relation to housing, the SSPP aims to deliver a minimum annual average of 241 dwellings per annum [dpa], starting from the current year (2022) and running to the end of the plan period (2039). In addition to the district’s own housing needs, there is emerging evidence of unmet needs from the wider GBBCHMA, within which South Staffordshire sits. The two most significant sources of potential unmet needs are currently Birmingham City and the Black Country.
- 4.59 The GBBCHMA Strategic Growth Study in 2018 estimated that the HMA’s unmet needs sat at around 28,000 dwellings up to 2031, rising to nearly 61,000 dwellings by 2036. It was



proposed to test an additional contribution of 4,000 dwellings in South Staffordshire to meet the unmet housing needs of the GBBCHMA in the council's Local Plan review, based on the scale of growth implied in the district by the strategic locations identified in the GBBCHMA Strategic Growth Study.

- 4.60 Reflecting these issues, South Staffordshire is proposing to plan for a housing target of **9,089 dwellings between 2018 and 2039**, which meets the Government's standard method for calculating housing needs, **plus an additional 4,000 dwelling contribution** to meeting the unmet needs of the GBBCHMA.
- 4.61 Moving on to employment land needs, the SSPP refers to the evidence set out in the 2022 EDNA, which updated a previous EDNA from 2018 in order to have regard to changes in employment projections, including as a result of Brexit and Covid. The study adjusted Experian forecasts to arrive at a 'LEP based Growth Scenario'. Following a series of further adjustments (e.g. building in plan flexibility such as projected employment losses), arrived at an objectively assessed employment land need figure of **63.6 ha up to 2040**.
- 4.62 The SSPP reports that the study also undertook an analysis on the impact of West Midlands Interchange [WMI] on the district, including on the demand for employment, as well as considering the proportion of WMI that could contribute towards the supply of employment land for South Staffordshire given the strategic nature of the site. This concluded that **18.8ha of WMI would contribute towards the district's supply of employment land to meet the projected demand**.
- 4.63 The SSPP also notes that the EDNA considered the supply of employment land at the base date of April 2020 (99 ha) and explored how this would likely be split between strategic and non-strategic employment land supply. Following consideration of the supply/demand balance specifically for strategic sites, it was concluded what proportion of the surplus strategic employment land could be attributed to sub regional supply and what proportion could be considered towards South Staffordshire's supply, informed by the labour demand forecasts. It concluded that in terms of strategic employment land, **36 ha** (excluding WMI) could reasonably be attributed to cross boundary unmet needs:
- "The supply-demand balancing exercise that could be attributed to South Staffordshire, taking on board both strategic and non-strategic employment land, concluded that there was a small surplus expected to be around 1.5 ha. Overall, the district can meet its own employment land needs, together with making a proportionate contribution to unmet needs in the Black Country."* [paragraph 5.58]
- 4.64 The SSPP comments on the scale of unmet employment needs from the wider FEMA that South Staffordshire sits within. It comments that of the other authorities, Cannock Chase is likely to meet all of its 50 ha need within its own boundaries, whilst the same is likely to be true (albeit for a higher figure) in Stafford Borough. However, for the four Black Country authorities, the Black Country Draft Plan confirms they are only able to deliver 355 ha of its overall need for 565 ha, leaving a **shortfall of 210ha**. Their Draft Plan indicates that this unmet need should be exported, as far as possible, to authorities that have a strong existing or potential functional economic relationship with the Black Country. In terms of what this means for South Staffordshire:

*“The Black Country commissioned a report considering the proportion of WMI that could be considered towards their needs based upon projected population change. This identified a minimum 67 ha Black Country ‘claim’ of WMI which when taken alongside the 36.6ha surplus of strategic employment land means that **103.6 ha** of employment land in South Staffordshire is available for strategic cross boundary unmet needs from the Black Country, subject to agreement through a Statement of Common Ground” [paragraph 5.62].*

- 4.65 The SSPP moves on to consider the issue of strategic employment delivery across the wider West Midlands region. This has started to be explored most recently through the West Midlands Strategic Employment Sites Study [WMSESS] 2021. The study’s primary focus was around engagement with the private sector to gauge market demand for new strategic employment sites, to examine recent take up, and to identify broad areas of market demand. It did not provide a full assessment of need (in terms of floorspace) that could be attributable at LPA level, nor did it examine some key national policy constraints; it therefore recommended a more detailed follow up study should be progressed across the WMSESS study area to properly establish the extent of any shortfall:

*“This strategic issue is now being progressed via a proposed follow-on study with LPAs over the study area leading the work. This will allow the need issue to be explored in more detail and examine how evidenced need for strategic employment sites interacts with need identified through individual LPAs’ EDNAs, and should provide a clearer picture of the need for strategic employment land across the region. The council is committed to being an active member of this commission and **taking forward its recommendations for further consideration at the appropriate stage**”. [paragraph 5.63]*

- 4.66 Policy DS4: Development Needs, sets out that during the plan period to 2039 the Council will promote the delivery of a minimum of:
- a 9,089 homes over the period 2018-2039 to meet the district’s housing target, whilst providing approximately 13% additional homes to ensure plan flexibility. This housing target includes the district’s own housing requirement of 5,089 homes, plus a 4,000-home contribution towards unmet housing needs of the Greater Birmingham and Black Country Housing Market Area;
  - b **99 ha** of employment land over the period 2020-2039 to ensure that South Staffordshire’s identified need for employment land of **63.6 ha** is met, as well as making available a potential contribution of **36.6 ha to the unmet employment land needs of the Black Country authorities**. 18.8 ha of WMI will contribute towards South Staffordshire’s employment land supply with an additional minimum 67 ha available towards the unmet employment land needs of the Black Country authorities, which may increase depending on the employment land position of other local authorities in the site’s market area. The remaining land supply of WMI will be considered with related authorities through the Duty to Co-operate.

- 4.67 Policy DS5 sets out the Council’s Spatial Strategy to 2039. The principal aim will be to meet needs in a manner which builds on the district’s existing infrastructure and environmental capacity, whilst recognising opportunities to deliver local infrastructure opportunities identified within the district. Throughout the District, Policy DS5 states that growth will be

located at the most accessible and sustainable locations in accordance with the settlement hierarchy set out below. SSDC will work with partners to deliver the infrastructure, facilities and services required to support this growth.

- 4.68 In the rural area outside of the district's existing settlements, the Policy states that the objective of the Spatial Strategy is to protect the attractive rural character of the countryside. To deliver this, new development will be restricted to particular types of development to support biodiversity, carbon sequestration, renewable and low carbon technologies, tourism, sport and recreation and the local rural economy and rural diversification, where this is consistent with other Local Plan policies:

*“Outside of the district’s rural settlements, support will continue to be given for employment and economic development at the district’s five existing freestanding strategic employment sites (West Midlands Interchange, i54 South Staffordshire, Hilton Cross, ROF Featherstone/Brinsford and Four Ashes). Existing and proposed employment sites throughout the district will be safeguarded for their respective uses, in accordance with other Local Plan policies.”*

- 4.69 Policy DS6 sets out the Council's longer term growth aspirations for a New Settlement which has the capacity to accommodate the future housing and economic needs of the district. To provide a focus for future new settlement site proposals, the transport corridor formed by the A449 and West Coast Mainline between Wolverhampton and Stafford has been identified as a potential area of search for such proposals. The Policy anticipates that any new settlement would be of a scale that is self-sustaining and enables a genuine mix of vibrant mixed communities that support a range of local employment types and premises, education, retail opportunities, recreational and community facilities with a wide range of housing to meet the needs of the community. **The proposed development site at Gailey Lea would be located just to the east of the potential area of search.**

- 4.70 Part B of the emerging SSPP deals with site allocations. It states that employment land should be identified to meet the needs of all employment uses; offices, research and development, light/general industrial, and storage/distribution. The level of employment sites and premises required to meet South Staffordshire requirements over the plan period was calculated in the council's EDNA 2022, which identified an objectively assessed need for employment land for South Staffordshire over the period 2020- 2040 of 63.6ha.

- 4.71 According to the SSPP, the pipeline supply of employment land over the plan period is sufficient to meet this need as well as provide surplus available to contribute towards cross boundary unmet needs. The district's main employment areas are set out in Table 9 which details and the amount of employment land available for the period 2020-2040 on a site-specific basis (excluding supply from smaller windfall developments). The Table identifies a total of 30 sites, comprising **95.4 ha of available land for employment development 2020-2040**, plus the 297 ha WMI (of which 232.5 ha reflects the proposed built area minus the area set aside for green infrastructure. The SSPP states that 18.8 ha of the site is required to meet South Staffordshire's labour demand):

*“Allocating WMI helps strengthen the portfolio of employment land in the district over the plan period, including a mix of land for strategic warehousing (WMI), advanced manufacturing (i54) and general high quality employment (ROF Featherstone). These are balanced by land for smaller scale employment opportunities (Hilton Cross) and further*

*complemented by smaller scale employment land availability in the wider FEMA. The council will continue to work positively with the developers on WMI to ensure the site come forward in accordance with the DCO and delivers the best scheme possible” [paragraph 6.44].*

4.72

In addition to allocating WMI, Policy SA7 takes the approach of allocating sites where there was available land at April 2020 and where the site did not have a full permission (or lawful use certificate) at this base date. This includes:

- E14 Vernon Park: 2.8 ha (E(g); B2; B8);
- E18 ROF Featherstone: 36 ha (E(g); B2; B8);
- E20 Hilton Cross: 4.8 ha (E(g); B2; B8);
- E24 I54: 4.8 ha (E(g); B2);
- E44 I54 Western Expansion (north): 16.7 ha (E(g); B2); and,
- E33 West Midlands Interchange: 297 ha (gross, 232.5 ha net) (B8).



## 5.0 **Baseline Position**

### **Introduction**

- 5.1 This section sets out the economic, labour market and industrial context for South Staffordshire by reviewing recent economic conditions and trends. To align with the South Staffordshire EDNA (2021) and given the location of the Gailey Lea Farm site in the North-eastern half of the District, the comparator areas include the other areas of the FEMA it sits within, namely the Cannock Chase, Dudley, Stafford, Walsall and Wolverhampton; the West Midlands and England & Wales.
- 5.2 It also includes analysis of the latest CoStar data for 2022 including the amount of warehousing and distribution floorspace across South Staffordshire.
- 5.3 Particular regard is given to industrial properties which are larger than 9,000 sqm in size. This threshold broadly equates to buildings around 100,000 sq ft or larger, which are generally recognised by the logistics industry as being large-scale, strategic, distribution centres. This analysis is important for helping to identify the existing strengths and weaknesses of the area's economy and the factors likely to influence future demand for additional industrial developments in the area.
- 5.4 We begin with an overview of the benefits of logistics developments more generally and the growing policy support behind logistics.

### **The Growth of Logistics in the UK**

- 5.5 Logistics is a key part of the UK economy, both as a generator of employment and output in its own right and as a key enabler of economic activity across a broader range of sectors. However, its importance has been heightened in recent years by trends in the retail industry and particularly e-commerce, which have driven forward a significant increase in the demand for often large-scale logistics floorspace in highly accessible locations. Indeed, Prologis found that online fulfilment required three times as much warehousing space as store-based fulfilment. However, it has also been driven by a change in how manufacturers distribute goods, as they also have a need for dedicated storage floor space.
- 5.6 At the national level, improved logistics arrangements are referenced within the Government's Industrial Strategy<sup>2</sup> as one of the benefits of working collaboratively across appropriate economic geographies. More locally, research by Lichfields in 2016<sup>3</sup> found that the transport and logistics sector was identified as a priority within 11 Local Enterprise Partnership strategy documents and supported by a number of further, sector-specific, initiatives including Enterprise Zones and City Deals.
- 5.7 The logistics industry therefore plays a vital role in the UK's economy. It generates £77.1bn or 4.2% of the UK's total Gross Value Added [GVA]<sup>4</sup> and employs over 2 million people<sup>5</sup>, equivalent to 5.2% of the UK's employment. To demonstrate the continued pace of growth, a report published from Logistics UK in 2022 states that the industry contributed as much

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<sup>2</sup> Industrial Strategy: Building a Britain fit for the future, HM Government

<sup>3</sup> Invest to Grow: How Can Planning Support Inward Investment? Lichfields (2016)

<sup>4</sup> ONS (May 2022): Regional gross value added (balanced) by industry: all ITL regions

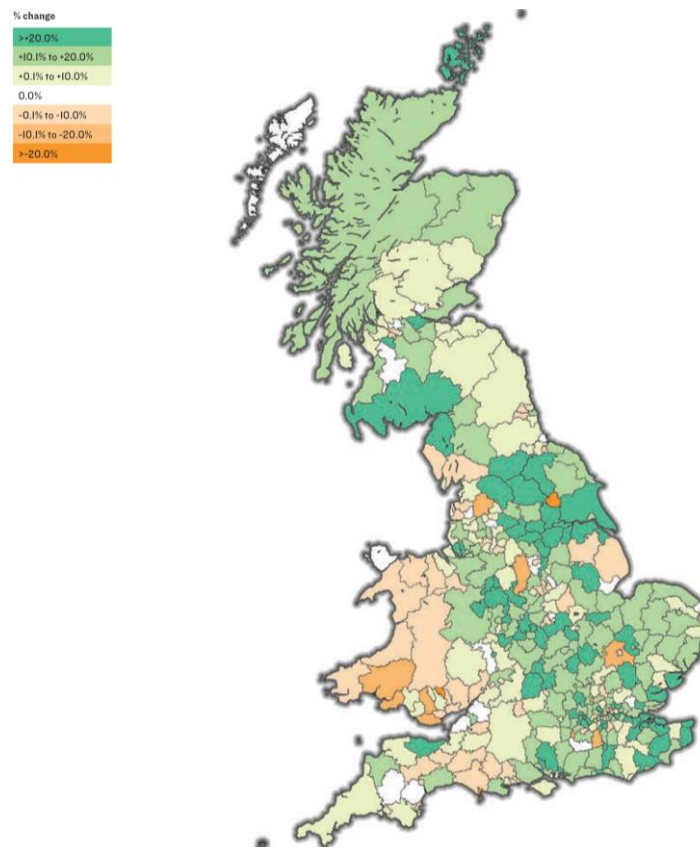
<sup>5</sup> Experian (2022) UK Local Market Forecasts

as £127 billion in GVA to the UK economy in 2020 with over 205,000 logistic enterprises across the UK<sup>6</sup>.

5.8 The logistics industry also enables growth in other business sectors across the economy and is strongly linked to overall growth in Gross Domestic Product (GDP). Logistics moves materials for manufacturing and connects people with goods in shops and to their homes. At the European level, outsourced logistics services add an average of 7.6% to the value of other sectors of the economy<sup>7</sup>.

5.9 Excluding the recession in 2009 the logistics industry has grown every year since 2003 until 2020 when the effects of the Covid-19 pandemic caused the sector to shrink<sup>8</sup>. Over the last ten years to 2019 the logistic industry’s annual growth rate was 4.0% in the UK, but it was even higher in the West Midlands at 5.1%. Along with the enviable locational attributes of the region from a logistics perspective, this suggests that the region is ideal for locating new logistics development and continuing to capture the benefits of the sectors growing economic importance.

Figure 5.1: Percentage change in Logistics Employment 2010-2018



Source: Lichfields, Experian 2018

5.10 It can be seen from Figure 5.1 that growth has been particularly strong in Yorkshire, the Midlands and the South East. Interestingly, whilst growth has typically been modest within

<sup>6</sup> Logistics UK (2022): The Logistics Report Summary 2021.

<sup>7</sup> European Commission (January 2015) Fact-finding studies in support of the development of an EU strategy for freight transport logistics – Lot 1: Analysis of the EU logistics sector

<sup>8</sup> ONS (May 2022): Regional gross value added (balanced) by industry: all ITL regions

major cities, high growth has been observed in those authorities surrounding locations such as Birmingham. This highlights the need to consider cross-boundary issues when planning for the future employment space needs associated with the growth of logistics.

- 5.11 A significant trend that has been driving change in the logistics industry is the rising role of online shopping and the associated consumer expectations for flexibility. Online retailers benefitted from a year-on-year increase in sales of 9.1% to £76bn in 2018, with online retail taking a 17.8% share of all retail sales in 2018 (rising from 10.6% in 2012)<sup>9</sup>. Online sales remained largely static in 2019 at £75.48 billion, though the share of online retail sales increased to 19.2%. The COVID-19 pandemic drastically augmented the growing presence of online retail with total sales rising to £107.3 billion in 2020 and again to £119.6 billion the following year. Given the series of lockdowns across the UK, there is little surprise that the share of online sales rose significantly to 28.9% in 2021.<sup>10</sup>
- 5.12 As well as increasing the number of deliveries, consumers also increasingly expect flexible delivery options, ‘click and collect’ services, and specific delivery times. This generates more demand for the logistics industry and it will continue to grow as consumer behaviour increasingly moves online, with 72.5% of the UK’s population eShoppers – the highest proportion of any comparable country in Europe<sup>11</sup>. Updated data from 2019 and 2020 demonstrate continued growth in the percentage of eShoppers at 75.8% and 76.9%, respectively as the UK maintains its leading status.<sup>12</sup>
- 5.13 Crucially, in order to maximise the economic potential of the logistics sector, it is essential to provide the appropriate accommodation and sites to deliver the required accommodation.
- 5.14 In the wake of the Covid-19 pandemic and associated lockdown periods, consumer confidence has fallen to the lowest level since records began, having knock on effects on the volume of retail sales which have also declined since October 2021. Inflation and interest rates are also on the rise.
- 5.15 Given this economic backdrop, it may seem inevitable that cracks start to show in the market for logistics space. According to the latest Big Shed Briefing however, Savill’s have logged over 200 million sq ft of occupier requirements nationwide in the first half of 2022 – down just 2% compared with the first half of 2021. In terms of take-up of new space, the first half of 2022 reached a new record of 28.6 million sq ft, 90% above the long-term H1 average<sup>13</sup>.
- 5.16 Focusing on the West Midlands, take-up of warehousing space reached 4.57 million sq ft in the first half of 2022, the best H1 ever recorded in the region and 103% above the long-term H1 average. The average deal size in H1 2022 reached around 250,000 sq ft, with 89% of this take-up being for Grade A quality space. The supply of warehouse space over 100,000 sq ft in the region stood at 2.51 million sq ft in July 2022. According to the three-year average annual take-up, this equates to just 0.36 years’ worth of supply. Savill’s further reports that there are ten units under construction within the West Midlands totalling 2.22 million sq ft<sup>14</sup>.

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<sup>9</sup> Centre for Retail Research Total Online Retail Sales 2018-2021 <https://www.retailresearch.org/online-retail.html>

<sup>10</sup> Ibid

<sup>11</sup> Ibid

<sup>12</sup> Centre for Retail Research Total Online Retail Sales 2019-2021 <https://www.retailresearch.org/online-retail.html>

<sup>13</sup> Savills (July 2022): Big Shed Briefing

<sup>14</sup> Savills (July 2022): The logistics market in the West Midlands

5.17 Overall, whilst the economy has entered a difficult period following the pandemic, there has been a step change in consumer habits and distribution networks that have seen market demand for high quality logistics space continue to go from strength to strength. This is particularly the case in the West Midlands where take-up remains at record levels, presenting opportunities to capture future growth for authorities such as South Staffordshire. As such, it is vital that sites to accommodate this strategic demand are taken forward.

5.18 **Jobs within the Logistics Industry**

5.19 The logistics sector is a key employer nationally; however, the sector is often mistakenly believed to only provide low skilled, basic jobs and is often erroneously associated with zero-hours contracts. However, a wide range of jobs are supported in the sector, both in warehouse and office environments. While traditional warehouse roles are common, logistics activities also offer and increasingly require positions in managerial, administrative and high-tech occupations including electrical and mechanical engineering and IT roles.

5.20 Research by Prologis found that office-based jobs in the industry have continued to rise in recent years<sup>15</sup>, and the sector has been found to have an above national average representation of managers, directors, senior officials and administrative and secretarial jobs, particularly in large-scale logistics handling<sup>16</sup>.

5.21 Research by the British Property Federation [BPF] in 2022 demonstrates the continued rise in the number of intermediate roles and technology occupations<sup>17</sup> with an above national average representation of managers, directors, senior officials and administrative and secretarial jobs, particularly in large-scale logistics handling<sup>18</sup>. The report also highlights a profound level of growth in logistics jobs with the number of jobs growing 26% from 2010 to 2020, compared to 14% overall job growth across all sectors.

5.22 As a consequence of the wide-range of high skilled jobs within the industry, a report from the BPF challenges the perception of only low pay job opportunities in the logistics sector. It showed that medium salaries in the sector are around £6,700 higher than the average for all sectors, at £31,600 compared to £24,900 – an increase from £28,000 in 2014. Furthermore, there are several logistics sub-sectors where average salary exceeds that of £35,000 a year.<sup>19</sup>

5.23 The logistics sector is therefore modernising and pushing technological boundaries to meet rising demand and supply challenges, and this is reflected in higher salaries and rapidly increasing productivity levels amongst employees that will generate real benefits locally.

5.24 **This modernisation of processes and diversification of roles within the sector requires increasing levels of flexibility across a range of B-class employment uses within large-scale logistics centres.**

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<sup>15</sup> Prologis (2015) Distribution warehouses deliver more jobs

<sup>16</sup> Census (2011)

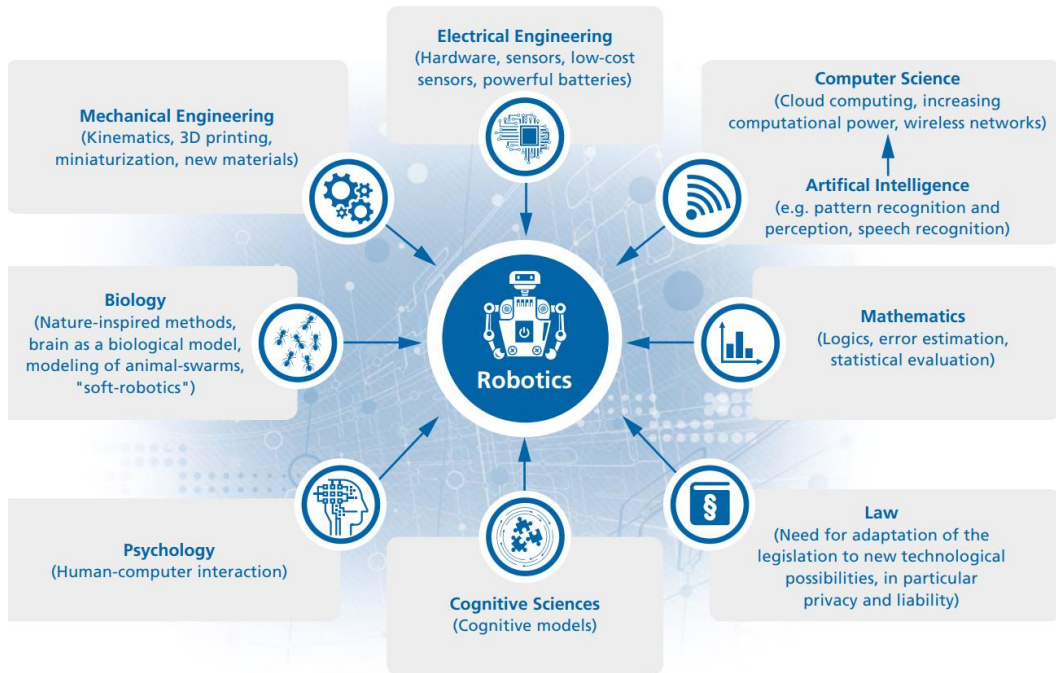
<sup>17</sup> BPF (2022): Levelling Up – the Logic of Logistics

<sup>18</sup> Census (2011)

<sup>19</sup> BPF (2020): Delivering the Goods



Figure 5.2: The world of advance robotics in Logistics



Source: Deutsche Post DHL Group

5.25 The sector is also highly productive, with a GVA per job of £58,000, 12% higher than the average of all sectors<sup>20</sup>. Furthermore, the sector’s productivity is expected to increase by 29% from 2025 to 2039 compared to 18% across the UK economy as a whole. This is vital given the longstanding issues with labour productivity in the UK, which lags behind many of its western European counterparts in this regard.

5.26 The logistics sector is clearly a major contributor to the UK economy and has been growing at a much faster rate than other sectors. It is increasingly high value, both in terms of its productivity and also in the skills set required for its employees, which is reflected in higher-than-average wages for logistics employees and increasingly technology-focused skills. The Black Country and West Midlands are particularly well placed from the growth in logistics and advanced manufacturing more generally, although there are comparatively few sites in the pipeline that are available to meet this wider, footloose need.

5.27 The proposed development site would go some way towards addressing this strategic need for logistics across the wider sub-region, given its excellent location at the heart of the strategic road network, its proximity to suitably skilled staff and accessibility to local residents living in South Staffordshire, and the Black Country in particular.

5.28 These two strands of need are clearly related, with policy makers acknowledging the benefits of pursuing an increase in logistics and an acceptance that this can only be achieved through the release of large-scale tracts of flat, developable land to provide much needed flexibility and responsiveness to the portfolio. Together they combine to present a

<sup>20</sup> BPF (2022): Levelling Up – the Logic of Logistics

strong need case for the proposed allocation of the Land at Gailey Lea Farm for industrial and warehousing uses.

5.29 **Future of Freight Plan (2022)**

5.30 The Government support for the logistics sector was reiterated in the recent *Future of Freight* document published by the Department of Transport (June 2022), which clearly establishes the Government's positive attitude towards the role of logistics in the UK economy.

5.31 The Future of Freight Plan is, in part, a response to the aftermath of the COVID-19 pandemic, as well as the transition to a new working relationship with the European Union. It sets out a vision to meet current needs across the U as well as to meet future commitments to net-zero, changing consumer trends, and the rise of new technology.

5.32 The Future of Freight Plan identifies as a key goal the need for a planning system which fully recognises the needs of the freight and logistics sector now and in the future and empowers the relevant planning authority to plan for those needs:

*"To achieve this, the planning system needs to ensure that sufficient land is being made available in the right places for freight operations and that it is able to respond to the changing needs of the freight and logistics sector such as how to plan for the adoption of future vehicle technologies."* [paragraph 5.1]

5.33 The Plan also sets out intentions to achieve a net-zero freight and logistics sector by 2050. The Freight Energy Forum will be established by autumn of 2022 and will:

*"...bring together cross-model freight operators and users, manufacturers, energy infrastructure providers, fuel producers/suppliers, regulators and planning authorities".*

5.34 The role of this Forum will be to:

- 1 Share energy/fuel infrastructure plans;
- 2 Continuously evaluate and share non-commercial outputs of technology or fuel trials and research to better inform future predictions for freight and logistics;
- 3 Engage with the development of the National Freight Network;
- 4 Ensure freight has a role in developing and responding to wider government fuel, energy and air quality strategies and planning reform;
- 5 Seek to maximise funding opportunities for freight energy and fuel infrastructure deployment; and
- 6 Explore regional and local disparities in the coverage of freight energy infrastructure and specific actions to address them.

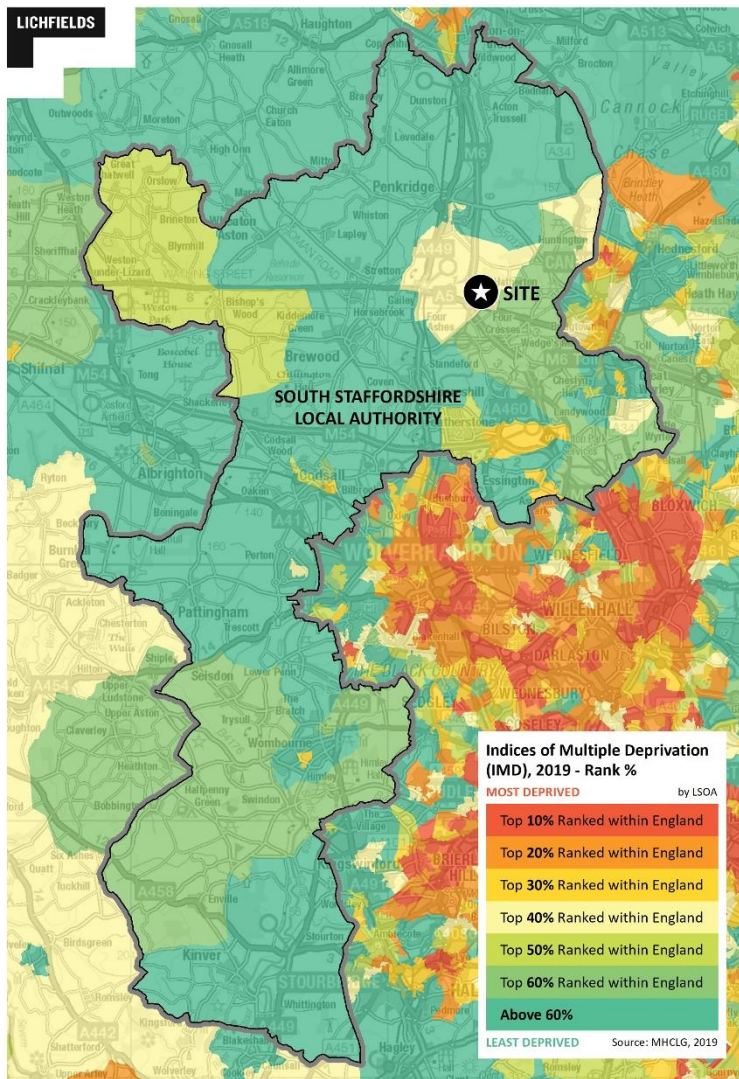
5.35 The Plan states that sites supporting freight activities such as distribution centres often require large amounts of land, need to be strategically located near transport links and most importantly, operate across local authority boundaries.

5.36 With this comes a requirement for Local Planning Authorities to ensure the sector is appropriately accommodated with policy documents; the Local Plan should, as a consequence, cater for this need.

## Deprivation

- 5.37 Deprivation at the local level is measured by ONS’s 2019 Index of Multiple Deprivation [IMD], which uses a series of data to rank areas across seven domains that varies from income to health. When combined, these categories produce a multiple deprivation score for each local area, where 1 equals the most deprived and 317 equals the least deprived. In overall terms, South Staffordshire ranks 235<sup>th</sup> out of 317 local authorities in England on the IMD 2019 (i.e. it is within the 15% least deprived authorities in the country).
- 5.38 However, whilst South Staffordshire District itself is not relatively deprived, as can be seen in Figure 5.3, the Lower Layer Super Output Area [LSOA] that contains the proposed development at Gailey Lea is relatively more deprived being in the top 40% of deprived LSOA in England. There are also issues with severe deprivation in nearby Wolverhampton, Walsall, Sandwell and Dudley, which would serve as potential sources of labour for the proposed development.

Figure 5.3 Indices of Deprivation for South Staffordshire



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Source: ONS: Index of Multiple Deprivation 2019/ Lichfields analysis

- 5.39 Indeed, Sandwell District is the 8<sup>th</sup> most deprived Local Authority in England with

Wolverhampton District being the 19<sup>th</sup> most deprived and Walsall District the 31<sup>st</sup> most deprived. Dudley, though relatively less deprived, still ranks 104<sup>th</sup> most deprived. All stand to benefit considerably from the employment opportunities that could potentially be created by the development.

## Definition of the Functional Economic Market Area

- 5.40 This section provides a broad overview of the District and its likely position within a wider Functional Economic Market Area [FEMA]. The extent of South Staffordshire's FEMA was analysed as recently as June 2022 in the EDNA 2020-2040.

### South Staffordshire EDNA (2022) Assessment of FEMA Boundaries

- 5.41 The 2022 EDNA correctly notes that a FEMA is defined relative to each respective authority and as such the South Staffordshire FEMA should not prejudice the FEMAs that have previously or may subsequently be defined by South Staffordshire's neighbouring authorities as part of their respective plan-making processes.
- 5.42 The EDNA goes on to note that a review of neighbouring authorities' FEMAs reveals that whilst South Staffordshire has strong economic links with Cannock Chase and the Black Country authorities, South Staffordshire as a whole is not identified as falling within any FEMA definition prepared by neighbouring authorities. Evidence from the Stoke and Staffordshire LEP does not identify any competitive urban centres in South Staffordshire; however, the EDNA points out that South Staffordshire is well-connected to northern parts of the LEP and the West Midlands conurbation to the east via road (including the M6 and M54 motorways) and moderately well-connected via rail (including stations at Codsall, Penkridge and Landywood). Planned and ongoing infrastructure improvements within the Stoke-on-Trent and Staffordshire LEP and surrounding areas are unlikely to influence the FEMA geography but may strengthen existing cross-boundary links. The
- 5.43 The EDNA assessed Travel to Work Areas [TTWAs] and commuter flow data from the 2011 Census and concluded that the main commuter catchment is from within South Staffordshire. Whilst there are some flows from beyond the District boundaries particularly from Cannock to the north-east, from Stafford to the north, and from Wolverhampton and Dudley to the east, these are individually much weaker than the flows within the District boundary:

*“An assessment of resident and workplace self-containment rates reveals that South Staffordshire itself has a low workplace self-containment rate (34%) and an even lower resident self-containment rate (21%). **This does not pass the recommended 66.7% threshold for being considered a standalone FEMA.** Similarly low self-containment rates were also found in the individual authorities of the Black Country and Stoke and South Staffordshire LEP area, suggesting that the FEMAs are likely to overlap to some extent.*

*When considering commuting flows into and out of South Staffordshire as a proportion of all commuting flows, the strongest commuter links appear to be between South Staffordshire and Cannock Chase, Wolverhampton and Stafford in terms of in-commuting, and between South Staffordshire and Wolverhampton, Walsall, Dudley and Cannock Chase in terms of out-commuting.*



*Overall, the evidence suggests that South Staffordshire’s FEMA incorporates areas of the Black Country as well as Stafford to the north and Cannock Chase to the north-east. There is a comparatively minimal functional economic relationship between South Staffordshire and areas to the south and west of the district.*

*The guidance suggests FEMAs should be ‘best fit’ to local authority boundaries, and therefore it is concluded that on the basis of the above analysis, **the FEMA for South Staffordshire comprises South Staffordshire, Wolverhampton, Dudley, Walsall, Cannock Chase and Stafford.***” [paragraphs 0.21 – 0.23]

5.44 As a result of the EDNA’s conclusions, the emerging South Staffordshire Local Plan (November 2022) reports that:

*“South Staffordshire EDNA (2022) identifies South Staffordshire as being in the same FEMA (Functional Economic Market Area) as Cannock Chase, Dudley, Stafford, Walsall and Wolverhampton. The Black Country authorities have a significant unmet need for employment land in their forthcoming plan period. As South Staffordshire is in the same FEMA as three of the Black Country authorities the Local Plan needs to consider South Staffordshire’s role in meeting any cross-boundary needs.”* [page 16]

#### **Sense Check of the FEMA**

5.45 When planning for employment land, Functional/ Economic Market Areas [FEMAs] can be used to allow authorities with strong economic linkages to cooperate when assessing unmet needs. The PPG provides a list of factors that might be taken into consideration in defining FEMAs<sup>21</sup>, including:

- *‘extent of any Local Enterprise Partnership within the area (LEPs)*
- *travel to work areas; (TTWA)*
- *housing market area;*
- *flow of goods, services and information within the local economy;*
- *service market for consumers;*
- *administrative area;*
- *catchment areas of facilities providing cultural and social well-being; and*
- *transport network’.*

5.46 The ONS defines labour market areas as those areas where the bulk of the resident population also work within the same area. Defining labour market areas requires an analysis of commuting patterns to identify Travel to Work Areas [TTWAs] for local economies. A commonly accepted approach to defining TTWAs and ultimately informing the extent of FEMAs is that generally around 75% of an area’s resident workforce work in the area (FEMA Test #1) and at least 75% of the people who work in the area also live in the area (FEMA Test #2). The area must also have a working population of at least 3,500.

5.47 As shown in Figure 5.4, Census 2011 Origin and Destination data has been analysed to provide a picture of the commuting flows into and out of South Staffordshire District. The

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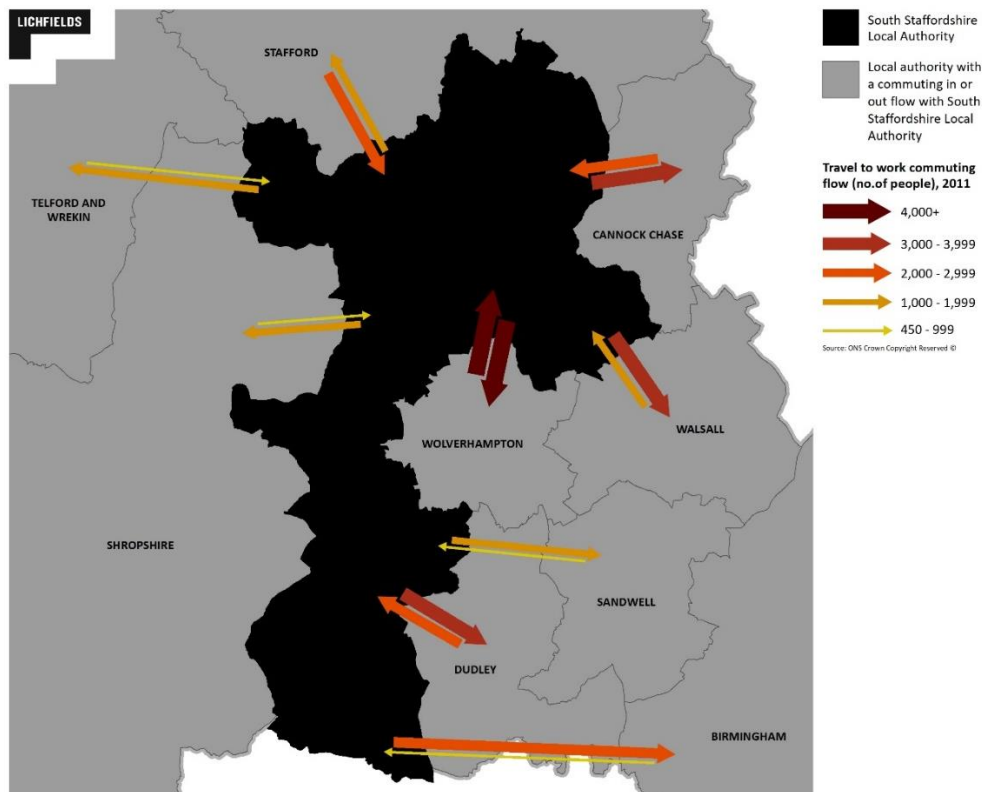
<sup>21</sup> Paragraph: 019 Reference ID: 61-019-20190315

data shows the District to have a workplace population of 36,780, of whom 52.1% are South Staffordshire residents. Therefore 17,583 people commute to work in South Staffordshire District from other authorities.

5.48 The districts key linkages to surrounding authorities in terms of in-commuters include nearby Wolverhampton providing 4,448 workers (12.1% of South Staffordshire’s workplace population); Cannock Chase providing 2,472 (6.7% of South Staffordshire’s workplace population); and Dudley providing 2,333 (6.3% of South Staffordshire’s workplace population).

5.49 South Staffordshire District has a resident workforce of 43,409, of which 24,249 people or 55.9% commute to work in other authorities. The strongest relationships in terms of out-commuting include 10,381 people travelling to work in Wolverhampton (23.9% of all out-commuters); 3,876 people travelling to work in Walsall (8.9% of all out-commuters); 3,736 people travelling to work in Dudley (8.6% of all out-commuters); and 3,328 people travelling to work in Cannock Chase (7.7% of all out-commuters).

Figure 5.4 Commuting Flows To/From South Staffordshire



Source: Census (2011)

5.50 Overall, South Staffordshire District is a net exporter of labour to neighbouring authorities, with 6,666 more people leaving to work in other districts than coming in from elsewhere, meaning the District has a low level of self-containment in terms of commuting flows.

5.51 Applying the two TTWA tests to the 2011 Census, South Staffordshire comprises the workplace for 44.2% of the Districts’ resident working population and is the area of residence for 52.2% of the those who work in the District. **On this basis, we agree with**

**the 2022 EDNA that South Staffordshire would not pass either of the FEMA tests.**

5.52 Indeed, Table 5.1 indicates that far more South Staffordshire residents commute into Wolverhampton on a daily basis for work (10,381) than into Birmingham, Stafford, Shropshire, Sandwell and Telford combined (8,744).

Table 5.1 Commuting Flows to/from South Staffordshire District (2011)

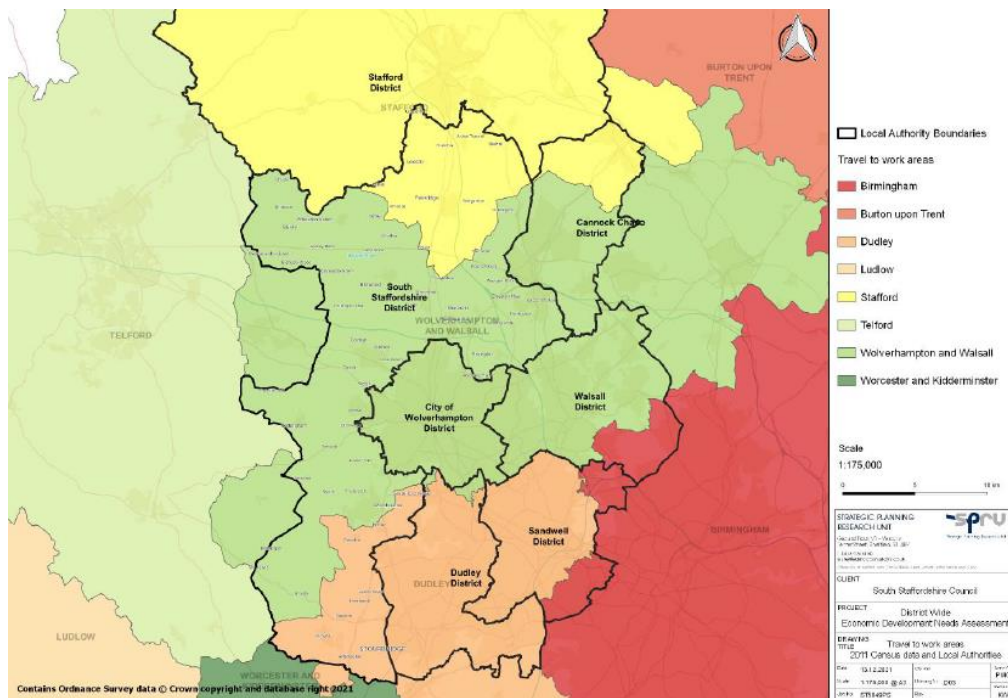
	Home of Staffordshire’s workers		Workplace of South Staffordshire’s residents	
South Staffordshire	8,981	24.4%	8,981	20.7%
Wolverhampton	4,448	12.1%	10,381	23.9%
Cannock Chase	2,472	6.7%	3,328	7.7%
Dudley	2,333	6.3%	3,736	8.6%
Stafford	2,018	5.5%	1,844	4.2%
Walsall	1,746	4.7%	3,876	8.9%
Shropshire	724	2.0%	1,015	2.3%
Sandwell	545	1.5%	1,894	4.4%
Telford and Wrekin	541	1.5%	1,446	3.3%
Birmingham	482	1.3%	2,545	5.9%
Other	12,490	34.0%	4,363	10.1%
<b>Total</b>	<b>36,780</b>	<b>100.0%</b>	<b>43,409</b>	<b>100.0%</b>

Source: Census (2011) / Lichfields’ analysis

\*includes 6,130 residents who mainly work from home and 4,049 residents who have ‘no fixed place’ of work

5.53 The ONS’s TTWA map based on Census 2011 data indicates that the central part of South Staffordshire District is located within the ‘*Wolverhampton and Walsall*’ TTWA, with the north-easternmost section (which includes the proposed site at Gailey Lea) located within the ‘*Stafford*’ TTWA. The south-eastern portion of South Staffordshire overlaps into the TTWA for ‘*Dudley*’ (Figure 5.5).

Figure 5.5 ONS (2015): Travel to Work Areas



Source: ONS TTWA (2015) / SPRU (June 2022): South Staffordshire Economic Development Needs Assessment Figure 1

- 5.54 The 2022 South Staffordshire EDNA produced by SPRU analyses self-containment rates for varying combinations of local authority areas, finding that no combination of South Staffordshire with a nearby authority meet the 66.7% TTWA thresholds (given the population of the surrounding boroughs all exceed 25,000).
- 5.55 The EDNA shows that when combining South Staffordshire with the Black Country authorities this increases the self-containment rate significantly and adding Cannock Chase and Stafford increases the workplace self-containment rate marginally further. Combining South Staffordshire with the closest three Black Country authorities (Wolverhampton, Dudley, Walsall), Cannock Chase and Stafford results in a slightly lower self-containment



rate. However, whilst Sandwell has strong connections with the other Black Country authorities, its direct linkages with South Staffordshire are comparatively lower. When South Staffordshire is also added the self-containment rate increases by a smaller amount than combinations excluding Sandwell.

5.56 **On this basis we agree with the South Staffordshire EDNA that the FEMA which South Staffordshire District sits within should also contain the districts of Cannock Chase, Wolverhampton, Dudley, Walsall and Stafford.**

## Commercial Market Indicators

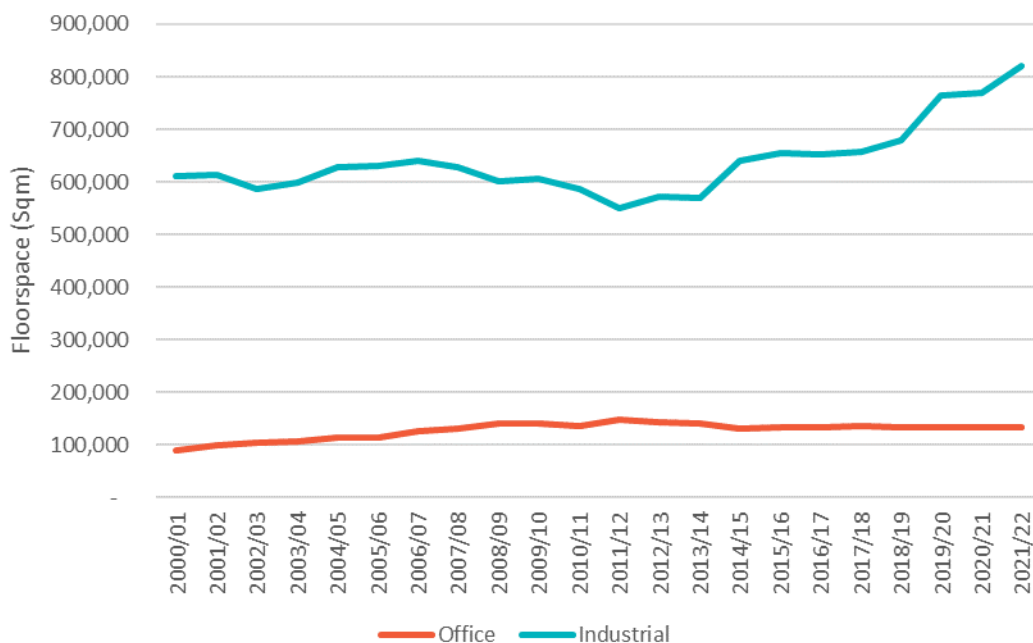
### Employment Space

5.57 In 2021/22, South Staffordshire District’s economy featured around 864,000 sqm of office/industrial/warehousing floorspace space. The vast majority of this space was industrial in nature, with 94.9% of the total stock within the area in industrial use and the remaining 5.1% in office use. This indicates that the District is heavily geared towards industrial space, with the comparable regional and national shares of industrial space being lower at 87.9% and 79.9% respectively.

5.58 The total stock of employment space in the District increased by 223,000 sqm or 34.8% between 2000/01 and 2021/22, with 210,000 or 94.2% of this growth being in industrial space, which grew by 34.4% compared to growth of 13,000 sqm or 41.9% in office space. In comparison, both West Midlands and England and Wales have seen declines in total floorspace over this period of -4.2% and -1.1% respectively, whilst the FEMA has seen a decline in total floorspace of 12.7%.

5.59 South Staffordshire’s industrial floorspace growth has been strong at 34.4% compared to a decline of 5.8% regionally and a decline of 2.8% nationally. This is illustrated in Figure 5.6.

Figure 5.6 Changes in Office and Industrial Floorspace in South Staffordshire District, 2000/01 – 2020/21



Source: VOA Business Floorspace 2022 / Lichfields’ analysis

- 5.60 Further insight into this industrial floorspace has been obtained from CoStar data<sup>22</sup>. Table 5.2 breaks down the number of properties and floorspace in South Staffordshire by type and CoStar quality rating and reveals several key findings. South Staffordshire currently has no office properties classed as being 4- or 5-star quality, compared to 19.4% of floorspace in the West Midlands being given a 4- or 5-star rating.
- 5.61 The District has a much lower share of low-quality (1- or 2-star) general and light industrial space than the region at 15.3% compared to 32.3%. Similarly, whilst there are just two 4- or 5-star quality general and light industrial units within the District, these units are large, accounting for 36.9% of all floorspace, compared to 10.0% regionally.
- 5.62 The District also performs well in terms of storage and distribution space, with 11.9% of properties and almost a third (32.0%) of floorspace rated as 4- or 5-star quality compared to 3.9% and 18.0% regionally. **This is, however, spread across just eight large units, demonstrating a lack of choice in the local market for potential occupiers.**

Table 5.2 Current floorspace provision in South Staffordshire District

	Number of Properties			Floorspace		
	South Staffs #	South Staffs % of Total	West Midlands %	South Staffs Sqm	South Staffs % of Total	West Midlands %
<b>Office</b>						
1-2 Stars	35	49.3%	52.4%	21,494	34.5%	27.8%
3 Stars	36	50.7%	47.6%	40,734	65.5%	72.2%
4-5 Stars	0	0.0%	2.6%	0	0.0%	19.4%
<b>Total</b>	<b>71</b>	<b>100.0%</b>	<b>100.0%</b>	<b>62,228</b>	<b>100.0%</b>	<b>100.0%</b>
<b>General &amp; Light Industrial</b>						
1-2 Stars	44	51.8%	64.2%	38,384	15.3%	32.3%
3 Stars	39	45.9%	35.8%	120,020	47.8%	67.7%
4-5 Stars	2	2.4%	0.7%	92,467	36.9%	10.0%
<b>Total</b>	<b>85</b>	<b>100.0%</b>	<b>100.0%</b>	<b>250,871</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Storage &amp; Distribution</b>						
1-2 Stars	14	20.9%	39.1%	28,866	7.1%	25.3%
3 Stars	45	67.2%	60.9%	246,762	60.9%	74.7%
4-5 Stars	8	11.9%	3.9%	129,894	32.0%	18.0%
<b>Total</b>	<b>67</b>	<b>100.0%</b>	<b>100.0%</b>	<b>405,522</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Grand Total</b>	<b>223</b>			<b>718,621</b>		

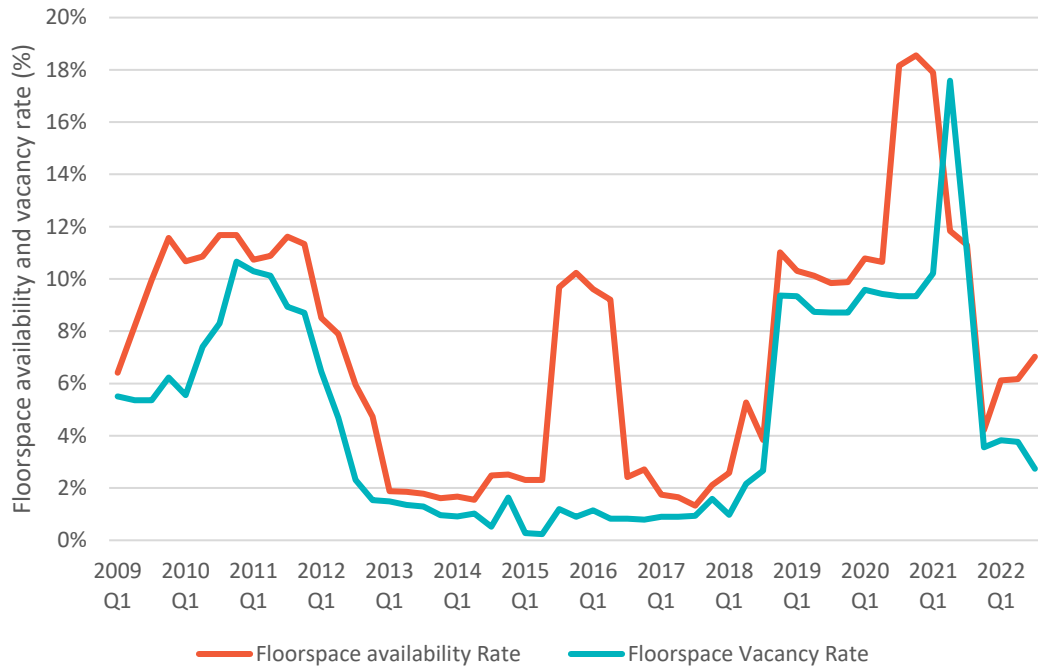
Source: CoStar (extracted November 2022) / Lichfields' analysis

- 5.63 Figure 5.7 shows existing industrial floorspace availability and vacancy in South Staffordshire District. Availability (which includes vacant and currently occupied space that is available on the market and is therefore usually higher than the vacancy indicator) rose quickly in Q1 2022 to a peak of 6.0% before falling to **4.5%** in Q3 2022. This indicates an element of latent demand in the market, with swift take up of a large amount of newly available space.

<sup>22</sup> As CoStar is based upon market research and agent insight, CoStar figures are not 100% consistent with the VOA data. However, CoStar is generally considered to be accurate for properties above 1,000 sqm, whilst it may under-report floorspace for smaller properties. CoStar data also counts vacant floorspace as opposed to the VOA.

5.64 In Q3 2022, 2.74% of industrial floorspace in South Staffordshire District was vacant. **A vacancy rate of 2.73% can be considered very tight and implies an undersupply of industrial space overall within the District.**

Figure 5.7 Industrial floorspace availability and vacancy rates in South Staffordshire District



Source: CoStar (extracted October 2022) / Lichfields analysis

5.65 Table 5.3 shows the availability of employment floorspace in South Staffordshire District as of November 2022 broken down by sector. Across office, general and light industrial, and storage and distribution space, the current levels of floorspace availability are below the average levels of availability over the past decade.

Table 5.3 Floorspace availability in South Staffordshire District, 2022

	Total Floorspace (sqm)	Available Floorspace (sqm)	% Available	Average Availability 2011 - 2021
Office	62,228	4,911	7.9%	12.6%
General & Light Industrial	250,871	8,734	3.5%	7.3%
Storage & distribution	405,522	39,728	9.8%	8.1%

Source: CoStar (extracted October 2022) / Lichfields analysis

5.66 Table 5.4 sets current floorspace availability against average annual take-up of floorspace over the past decade. It shows that there is **currently only 2.15-years' supply of storage and distribution floorspace currently available in South Staffordshire District**, and only 6.32- and 2.60-years' supply of office and general and light industrial space respectively.

Table 5.4 Average annual take up and availability in South Staffordshire District, 2022

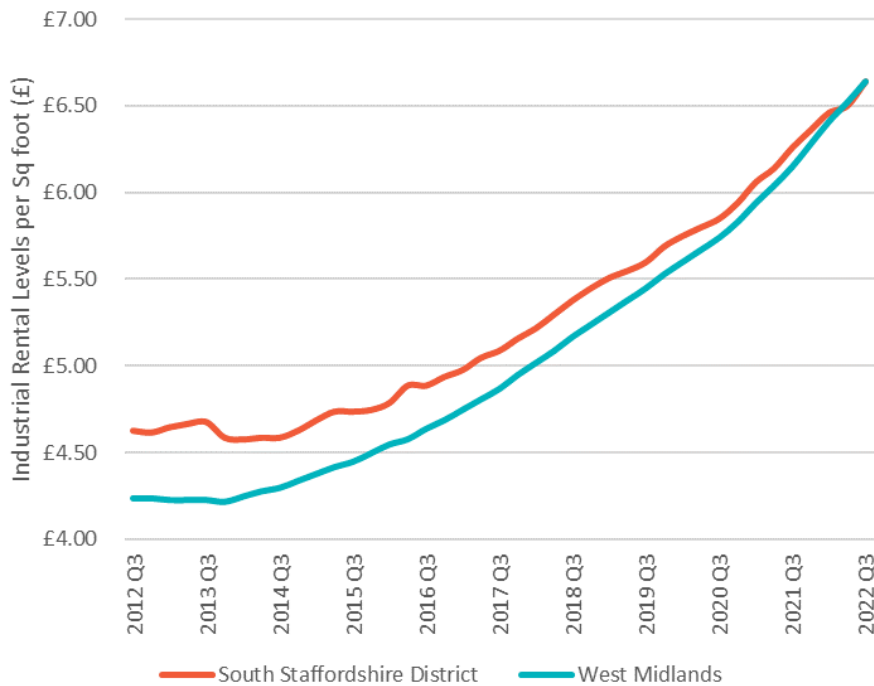
	Average Annual Take-Up 2011 - 2022	Available Floorspace (sqm)	# Years Supply
Office	778	4,911	<b>6.32</b>
General & Light Industrial	3,355	8,734	<b>2.60</b>
Storage & distribution	18,508	39,728	<b>2.15</b>

Source: CoStar (extracted October 2022) / Lichfields' analysis

5.67

Figure 5.8 illustrates trends in market rents over time for industrial units in South Staffordshire District and the West Midlands. In 2022 Q3 (the last complete quarter at the time of writing), market rents in South Staffordshire District and across the West Midlands stood at £6.64 per sq ft. In the decade since Q3 2012, rental levels in South Staffordshire District have risen by £2.09 per sq ft or 44.9% compared to £2.50 or 59.1% across the region. That rents in South Staffordshire District have stayed consistently above the regional average over this period indicates a greater imbalance of supply and demand in the District than seen across the region.

Figure 5.8 Industrial rental levels in South Staffordshire District and the West Midlands



Source: CoStar (extracted October 2022) / Lichfields analysis

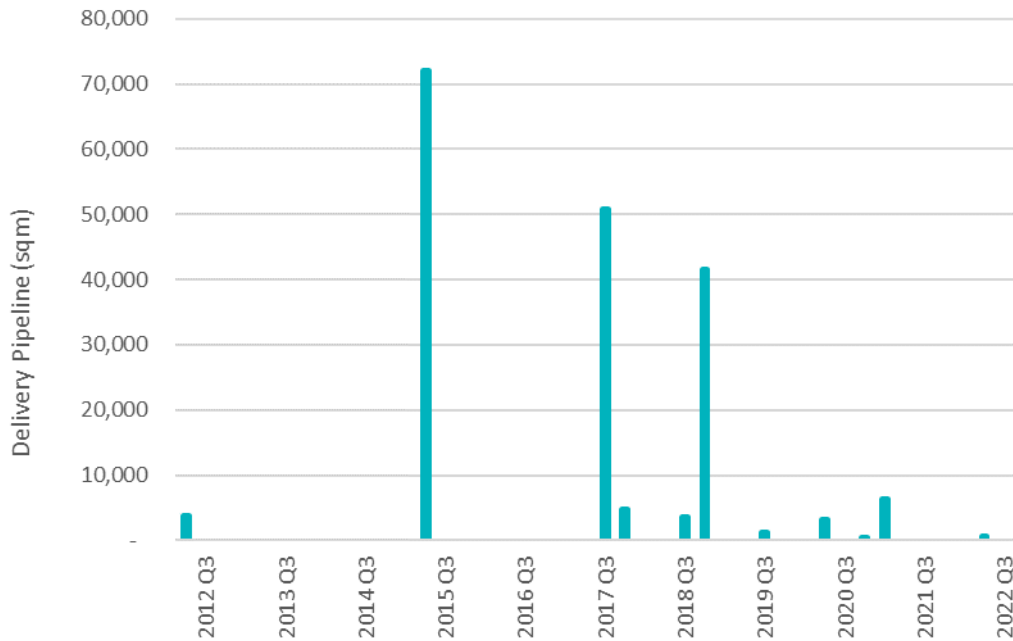
### Recent Delivery & Future Pipeline

5.68

Figure 5.9 shows delivery of industrial floorspace in South Staffordshire District over the past decade based on CoStar data. Over this time period, the District has delivered around 205,800 sqm of floorspace at an average of around 18,046 sqm per year. 2015 saw the highest delivery of industrial floorspace with around 71,999 sqm being delivered at the Jaguar Land Rover facility, which falls just within South Staffordshire's Local Authority boundary approximately 9 km southwest of the Gailey Lea Farm site.



Figure 5.9 Industrial completions in South Staffordshire District, 2012-2022



Source: CoStar (extracted November 2022) / Lichfields analysis

5.69 Table 5.5 shows the current development pipeline in South Staffordshire District. In total, the District has around 5,500 sqm of industrial floorspace in the pipeline across 16 units, of which 100% comprise storage and distribution space. Of these 16 units, twelve are proposed B8 units with eight on Stafford Road which total 158,119 sqm and 62.3% of the industrial pipeline in South Staffordshire. Four further B8 units include a proposed c.4,900 sqm B8 unit at Innovation Drive Business Park, a proposed c.4,500 sqm B8 unit on Cannock Road, a c.4,000 sqm single B8 unit at Heath Mill Road and a further c. 1,100 sqm single B8 unit at Bridgnorth Road.

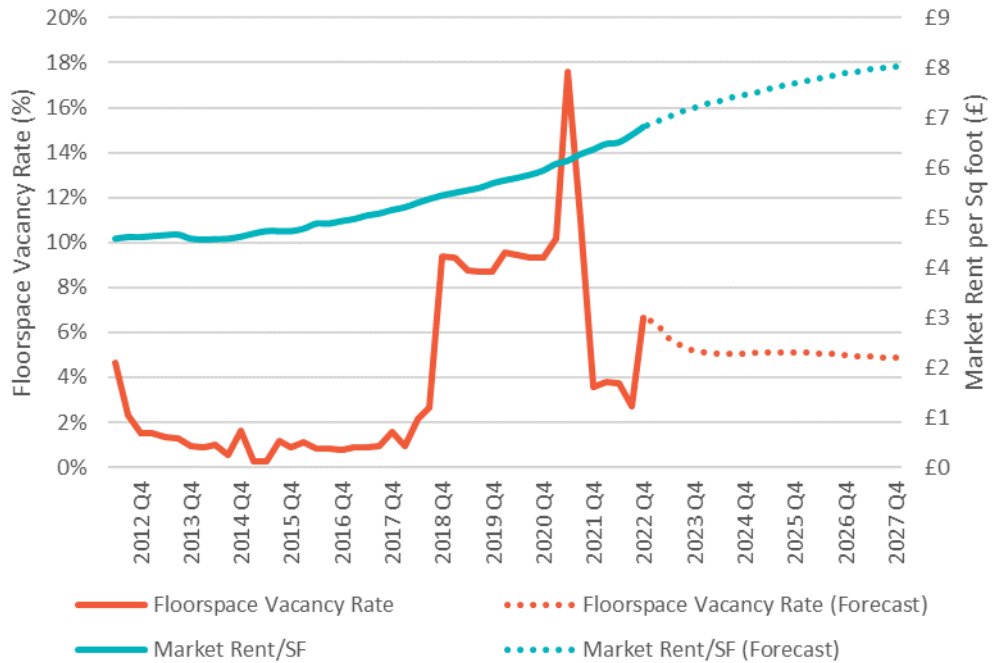
Table 5.5 Commercial and Industrial property pipeline

	Under Construction	Proposed	Total
Office	-	743	743
General & Light Industrial	-	35,767	35,767
Storage & distribution	5,572	193,768	199,340
<b>Total</b>	<b>5,572</b>	<b>230,279</b>	<b>235,850</b>

Source: CoStar (extracted November 2022 / Lichfields' analysis

5.70 Figure 5.10 illustrates the CoStar forecasts for industrial vacancy levels and market rent per sq ft in South Staffordshire District, incorporating the current development pipeline. It suggests that vacancy levels are forecast to remain around the 5.0% mark for the foreseeable future, whilst rents are set to continue to rise towards £8 per sq ft. **Both are indicators of an increasingly tight market due to inadequate supply.**

Figure 5.10 Industrial vacancy and market rent forecasts for South Staffordshire District



Source: CoStar (extracted November 2022) / Lichfields analysis

## Summary

5.71

This section has reviewed the socio-economic context for South Staffordshire District and the comparator areas. The key points are summarised below:

- South Staffordshire District is recognised in the Council’s economic evidence base and its emerging Local Plan as being located within the Greater Birmingham and Black Country Housing Market Area and wider Functional Economic Market Area. The FEMA is judged to comprise **South Staffordshire, Cannock Chase, Dudley, Stafford, Walsall and Wolverhampton**.
- Given the extent of South Staffordshire’s FEMA and the growth potential of strategic sectors such as logistics within the sub-region, it is considered that SSDC should provide for its own needs within its own boundaries, as well as making provision to capture some of the very substantial unmet strategic logistics and manufacturing demand from the wider area.
- Logistics is a key employment sector and enabler of economic activity across a broad range of sectors, generating over £77 bn a year and employing more than 2m people nationwide.
- The sector has an average annual growth rate of 4.0% nationally and 5.1% in the West Midlands over the past decade and has benefited from recent increase in online sales activity following the Covid-19 pandemic.
- The sector supports a wide range of jobs across different skill levels and increasingly requires jobs in managerial, administrative, and high-tech roles.

- Although much of South Staffordshire does not experience high levels of deprivation, the area that the Gailey Lea Farm site is located within is one of the more deprived areas being in the top 4% of deprived LSOAs in the country. Furthermore, the development is also in close proximity to Wolverhampton (19<sup>th</sup> most deprived district); Walsall (31<sup>st</sup>); Dudley (104<sup>th</sup>) and Sandwell (8<sup>th</sup>) and all stand to benefit considerably from the employment opportunities created by the proposed development.

## 6.0 Critique of the Council's Economic Evidence Base

### Introduction

- 6.1 South Staffordshire District Council's Economic Development Needs Assessment [EDNA] was published in June 2022 and comprises a key part of the evidence base for the emerging South Staffordshire Publication Plan [SSPP]. The objective of the study is to identify future employment needs across the South Staffordshire area for the period 2020 to 2040.
- 6.2 The forecasts for labour demand considered in the EDNA show substantial growth in employment compared with previous evidence base studies. This is likely to be due to the increasing strength of the economy since the middle of the last decade, and a significant departure from past trends in the delivery of land and floorspace
- 6.3 The previous South Staffordshire EDNA Part 1 (2018) identified employment land needs of between 67 ha and 86 ha (higher growth scenario) over the period 2018 to 2038. Both of these scenarios were considered by the report's authors to represent an 'over supply' of employment land based on an identified deliverable supply of around 105 ha. The introduction to the 2022 EDNA reports that the assumptions and inputs that fed into the previous 2018 report, including the econometric forecasts, are now dated and have been brought up-to-date through the preparation of this new EDNA.

### South Staffordshire EDNA 2022 - Overview

#### Contextual Analysis

- 6.4 The report begins by summarising national and local planning policy, with a particular focus on unmet need across the wider sub-region.
- 6.5 It discusses the likely impact of the West Midlands Interchange [WMI], which includes the Strategic Rail Freight Interchange [SRFI] which was approved by Development Consent Order [DCO] in May 2020. This has a developable area of 193 ha (compared with an overall site size of 297 ha) and could deliver 743,000 sqm of floorspace (a plot ratio of 37.5%). The EDNA reports that it was envisaged that this site would help meet the logistics needs of South Staffordshire and the wider Black Country and West Midlands conurbations. WMI is projected to deliver around 8,500 jobs on-site together with up to 8,100 indirect jobs off-site. Nearly 1 in 5 direct employees are expected to currently live in South Staffordshire.
- 6.6 A report<sup>23</sup> commissioned by the Black Country authorities on the SRFI (Stantec, 2021) estimated the Black Country's (including South Staffordshire) market share of the overall SRFI land area to be 72ha (37% of the total). Of the total Black Country and South Staffordshire market share of 72 ha, 5ha of this is specifically attributed to South Staffordshire. This output relies upon a methodology based upon the distribution and potential displacement of existing floorspace, together with projected future population growth. The 2022 EDNA goes on to evaluate this methodology in the context of evidence for local labour demand in detail in Section 12 (see discussion below).
- 6.7 Moving on, the EDNA also reports the findings of the West Midlands Strategic Employment Sites Study [WMSESS] (May 2021), which identified a 'wide anecdotal acknowledgment by the industry' of a shortfall of strategic employment sites (B2 and B8). The study calculates

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<sup>23</sup> Stantec (February 2021): West Midlands SFRI: Employment Issues Response Paper – Whose need will the SFRI serve?



a maximum of 7.41 years' supply of strategic employment land at observed levels of demand, of which 2.47 years is accounted for by WMI. The study highlights an urgent need to identify a pipeline of new Strategic Employment Sites to meet needs beyond the 7.41 years' of supply that exists in allocations and committed sites:

*“This EDNA is primarily informed by locally-derived evidence of labour demand but has had regard to the recommendations of the WMSESS and the EDNA findings may be used to inform future joint-working with neighbouring authorities.” [page 57]*

- 6.8 As set out above in Section 3.0, the EDNA concludes that the FEMA for South Staffordshire comprises the local authority areas of South Staffordshire, Wolverhampton, Dudley, Walsall, Cannock Chase and Stafford.
- 6.9 Stakeholder engagement with the Local Enterprise Partnership [LEP], key businesses and employers, commercial property agents and developers clearly demonstrates that there is strong demand for logistics and to a lesser extent, industrial units of all sizes in South Staffordshire, with speculative developments being taken up straight away and vacancy rates at an all time low. The EDNA reports feedback suggesting that South Staffordshire has the potential to create an 'identity' for itself as a prime location for logistics / distribution operations.
- 6.10 The EDNA reports that the District has a total of 770,000 sqm of industrial floorspace as of 2021, with the VOA data showing that since 2001 it has grown by 160,000 sqm (26%) net. Of this, 39,346 sqm was vacant, which is equal to 5.1% of the total industrial stock.

*“A guideline for a healthy vacancy rate is generally considered to be around 7.5%<sup>29</sup>, therefore, the slightly lower vacancy rate in South Staffordshire suggests a relatively tight supply of premises to meet the high demand for industrial floorspace in the borough” [paragraph 6.12].*

### **Past Take Up of Industrial Floorspace**

- 6.11 The EDNA reports that based on SSDC monitoring data, a total of 360,907 sqm of industrial floorspace (B1c, B2 and B8) was delivered across South Staffordshire between 2012 and 2019, or **45,113 sqm per annum**. The EDNA notes that this was dominated by the i54 and Four Ashes Strategic Employment Sites:
- “In total between 2012 and 2019, 28% of industrial completions in South Staffordshire were delivered at the Gestamp/Amazon development at Four Ashes Strategic Employment Site (totalling 101,305 sqm) and 48.4% of industrial completions were delivered at the JLR site at i54 Business Park (totalling 174,571 sqm). Together, these two sites account for over three quarters (76%) of South Staffordshire's industrial floorspace completions between 2012 and 2019. These are primarily larger size units of over 20,000 sqm” [paragraph 6.17].*
- 6.12 The EDNA notes that over the period between 2012 and 2019 gross completions in South Staffordshire have been equivalent to around 5.9% of total stock. *“This represents a very strong rate of growth. A rule of thumb sometimes used is that a growth of 1% per annum would indicate a healthy rate of growth” [paragraph 6.18].*
- 6.13 If the large-scale units completed at the Four Ashes site in 2019 (101,305 sqm) and the floorspace delivered at JLR at the i54 Business Park (174,571 sqm) are removed from the calculation, then the average annual completions for the 2012-19 period falls to **10,629 sqm p.a.** The EDNA considers that, at 1.4% of stock, this is still a healthy rate of growth.

- 6.14 In terms of floorspace that has been lost to industrial employment use, over the period 2011 to 2020 for which there is data available, there was a total of 17,247 sqm of industrial floorspace (B2 and B8) lost to employment use, plus an additional 3,965 sqm Sui Generis employment floorspace, which equates to an average annual loss of 681 sqm B2 floorspace and 1,044 sqm B8 floorspace. These figures exclude the large-scale loss of 112,396 sqm B2 floorspace at the Baggeridge Brickworks site in 2017 which was removed as an anomaly relating to a large and long-term redundant site.
- 6.15 The EDNA moves on to consider the trend of extrapolating past completions as a means of forecasting future employment land needs. The EDNA notes that this has the benefit of being straightforward and transparent, although it also potentially models forward historic or existing supply-side constraints and it reflects the market context of the time period considered which may not be representative of the forecasting period.
- 6.16 Table 30 sets out the completions trend forecast for office and industrial employment floorspace for the period 2020 to 2040. This forecast is based on the average annual completion rates for each land use type (as calculated over the period 2012/13-2019/20) multiplied by the plan period. The average annual completion figures exclude atypical schemes, namely the industrial and office floorspace delivered at JLR (i54) and Amazon/Gestamp (Bericote Four Ashes).

Table 6.1 Completions Trend Forecast / Past Take Up Scenario, 2020-2040

Floorspace Type	Average annual completions (sqm) (2012/13-2019/20)	Forecast completions 2020-2040 (sqm)	Land Requirement (ha, based on a 40% plot ratio)
Office (B1a, B1b)	2,105	42,100	10.5
Industrial (B1c, B2)	7,523	150,460	37.6
Warehousing (B8)	3,105	62,100	15.5
<b>Total</b>	<b>12,733</b>	<b>254,660</b>	<b>63.7</b>

Source: EDNA 2022, Table 30

- 6.17 As can be seen in Table 6.1, the EDNA projects forward the 10,629 sqm industrial completions excluding JLR and Amazon/Gestamp forward 20 years to come to a figure of **212,560 sqm, or 53.1 ha** (rising to 63.7 ha including offices).

### EDNA Job Forecasts

- 6.18 Section 6.0 of the EDNA provides an assessment of the future economic growth forecasts for South Staffordshire to 2040. The forecasts are assessed on an overall and sectoral basis to consider their suitability and robustness for planning purposes.
- 6.19 Three econometric forecasts were assessed. All were produced in November 2021 and run from 2020-2040:
- Cambridge Econometrics [CE]: net job growth of 5,010;
  - Experian: net job growth of 3,000; and,
  - Oxford Economics [OE]: net loss of -2,300.
- 6.20 The EDNA concludes that the main differences between the forecasts reflect: The strength and extent of the post-COVID-19 bounce; Performance between 2011 and 2020 and the period immediately prior to the onset of COVID-19; and Longer-term trends and relationship with pre-Covid employment levels.

- 6.21 After assessing the three forecasts in detail, the OE forecast was excluded from further analysis as it showed negative growth rates across the 2020-2040 period which did not reflect historic growth rates or local evidence of employment change, including from local stakeholders.
- 6.22 An assessment of the Experian and CE forecasts for individual employment sectors revealed a number of sectoral differences. Notably the Experian forecast was the only one to show any forecast growth in employment within the Manufacturing sector (+1,900):  
*“Following detailed analysis, the Experian forecast was considered to provide the most positive yet realistic economic growth forecast for South Staffordshire in terms of providing a starting point to identify reasonable prospects for future change across a majority of sectors identified as locally significant”* [paragraph 0.36].
- 6.23 Interestingly, the EDNA reports that the projections for the Transport & Storage Sector are significantly below recent growth trends. Table 37 suggests that the average annual growth ranged from between 3.5% (Experian), 4.8% (CE) and 6.6% (OE) between 2011-20, whilst going forward (2020-40) average annual growth is projected to range from just -0.4% (OE) to +0.2% with Experian and +1.1% with CE.
- 6.24 Haven taken Experian as the baseline, SPRU then assessed growth sectors identified in the Stoke & Staffordshire LEP’s Local Industrial Strategy. It provides an assessment of recent trends in these sectors and the extent to which the growth sectors are accounted for in the Experian jobs growth forecast. Adjustments are made to the Construction, Transport & Storage, Professional Services, Manufacturing and ICT sectors to reflect jobs growth in these sectors in South Staffordshire since 2009, resulting in a net growth of 4,824 between 2020-2040 (1,824 higher than the Experian baseline of +3,000, but below the +5,010 forecast by CE).
- 6.25 The report moves on to assess the impacts of Brexit, Covid-19 and specifically the impact of home working. The EDNA notes that at a national level, from 2012-19 the scale of homeworking increased from 5.0% in 2012 to 6.0% in 2019. This ranges by sector, from 1.9% in Transport and Storage to 15.4% in ICT. SPRU considers that it would be unrealistic to assume the post-lockdown levels of remote working will continue. SPRU takes account of this by estimating increasing rates of home working throughout the plan period. Homeworkers were then discounted from the calculations of future employment land requirements.

### **Future Employment Land Needs Analysis**

- 6.26 The EDNA disaggregates the total jobs from the baseline Experian, OE and CE forecast into economic sectors (with Experian used as the 2020 baseline for the Growth Scenario). The EDNA then translates the workforce jobs into Full Time Equivalents [FTEs] based on the ratio of full- and part-time jobs for each sector in BRES, before disaggregating the sectoral jobs by B-Use Class. Employment densities were applied to the net job growth based on the Employment Density Guide 3<sup>rd</sup> Edition (HCA 2015), adjusted so that they relate to Gross External Areas [GEA]. A 40% plot ratio translates the figures from floorspace to land.

6.27 The resultant net employment land needs are reproduced in Table 6.2:

Table 6.2 Net Employment Land Needs (ha) 2020-40

	Office	Industrial	Warehousing	TOTAL
CE	+5.8	-3.9	+13.2	+15.1
OE	-0.1	-18.4	-5.4	-24.0
Experian	+0.8	+19.5	-1.1	+19.2
Experian-based Growth Scenario	+2.9	+14.8	+16.2	+33.8

Source: EDNA 2022, Table 69

6.28 As can be seen in Table 6.2, the net E(g)/B Class employment land growth ranges from -24.0 ha to +33.8 ha.

6.29 The next stage is to convert this to gross development needs. This was done by accounting for the quantum of losses of existing stock which will be expected to be lost over the forecasting period. SPRU reports that there is limited evidence of any large-scale past loss of land and floorspace in the District. A future estimate was calculated based on past trends of employment land lost to other uses since 2011/12 annualised and then forecast forward over the 20-year forecasting period, equivalent to around **2,200 sqm per annum (or 44,000 sqm / 10.91 ha over 20 years)**.

*“To provide a sense-check on the robustness of the allowance for losses a comparison has been undertaken with the current committed pipeline of employment floorspace that may be lost to other uses. On an annualised basis the current pipeline of losses continues to compare closely with past trends but if replicated based on the most recent commitments data would produce a lower total than allowed for based on the 2011 to 2020 data, suggesting a robust approach has been applied to this allowance.” [page 172]*

6.30 SPRU then made an adjustment to the net jobs growth by stripping out a certain percentage of growth which they consider to be homeworking, with some sectors (such as ICT having a much higher percentage than others (such as Accommodation & Food Services). This had the effect of reducing the net requirements by between 4.1 ha and 5.4 ha over the 20-year plan period.

6.31 Finally, SPRU included a margin of flexibility equivalent to 5 years' worth of completions data, based on past completions (excluding JLR, Amazon and Gestamp). This equates to 15.9 ha in total (of which 2.6 ha relates to B1a/b, 9.45 ha to B1c/B2 and 3.9 ha for B8).

6.32 Table 6.3 presents the outputs of the labour demand scenarios, which provide a wide range of results from -1.3 ha using the OE forecasts, to +55.1 ha with the Growth Scenario.



Table 6.3 Total Employment land Needs (ha) – Comparison of Labour Demand Scenarios, 2020-2040

Description	CE	OE	Experian	Growth Scenario
Net Growth Needs	15.1	-24.0	19.2	33.8
Net to Gross	10.9	10.9	10.9	10.9
Changing Trends in Working from Home	-5.5	-4.1	-5.2	-5.4
Margin of Flexibility	15.9	15.9	15.9	15.9
Total Employment Land Needs:				
B1a/b	8.9	3.9	4.8	6.7
B2	7.1	-7.1	30.0	25.3
B8	20.5	2.0	6.1	23.1
<b>TOTAL</b>	<b>36.4</b>	<b>-1.3</b>	<b>40.8</b>	<b>55.1</b>

Source: EDNA 2022, Tables 74 and 75

- 6.33 The EDNA concludes that there is a relatively high level of overall synergy between the CE, Experian and Growth Scenario forecasts (between 36 ha and 55 ha):

*“There are important differences by Use Class within each forecast, with the Growth Scenario producing the highest overall total for land in industrial/distribution uses and a more even profile of the land requirements across sub-sectors resulting in additional labour demand for these types of land and floorspace. This is considered to reflect the reasonable prospects for industries most closely associated with employment growth under the sectoral forecast.”* [paragraph 9.51]

### **Relationship between West Midlands Interchange and Future Economic Growth Scenarios**

- 6.34 The EDNA moves on to examine the relationship between the WMI and future economic growth scenarios based on forecast labour demand. The report recognises that the SFRI proposals are not currently reflected in existing economic forecasts and resulting labour demand scenarios for South Staffordshire, given that historically growth in the Transport & Storage sector has been 6.9% p.a. whilst the unadjusted Experian forecast shows effectively stable levels of employment in the Transport & Storage sector from 2020 onwards.
- 6.35 However, the EDNA considers that adjustments made to the Transport & Storage sector to produce the LEP Growth Forecast already, to some degree, reflect the sub-regional growth in this sector that is expected to be delivered by WMI and can therefore be attributed to the requirements for economic development (Use Class B8) in South Staffordshire based on the labour demand scenarios.
- 6.36 The calculation is complicated but essentially comprises the following:
- 1 Net land use of 13.5 ha is calculated based on utilising sub-regional trends for the Transport and Storage sector as these are higher than local trends and are considered to better reflect the likely level of sub-regional demand. Of this figure, the EDNA assumes that 10 ha relates to the WMI only over the period 2020-2035.
  - 2 This is based on the Growth scenario focussing on the Transport & Storage Sector only (44 jobs per annum over 15 years = 660 jobs, which would comprise 42% of the total forecast for job creation at WMI expected to be taken up locally in the WMI of 1,560). The EDNA uses this as justification that *“there is no quantitative basis to provide for an additional pipeline of land for storage and distribution in South Staffordshire beyond the pipeline of supply at WMI that can be attributed to forecast labour*

*demand in the district. This is on the basis that the development of the SRFI at WMI is consistent with the justification for identification of the growth scenario for the Transport & Storage sector.” [paragraph 10.42].*

- 3 A further 1.2 hectares associated with net needs for the Transport and Storage sector is retained from the Experian baseline forecast for the District. This is a forecast generated by the changes to the local rather than the sub-regional economy. It is therefore considered appropriate to be met in addition to the sub-regional trend-based adjustments applied separately to generate the Growth Scenario.
- 4 To this has been added the outputs of the Growth Scenario forecast for net B8 land and floorspace needs for other sectors requiring B8 land and floorspace (0.5 ha) which provide a local measure of labour demand for construction/manufacturing uses not impacted by the specific sub-regional Transport & Storage sector trends and their relationship to WMI, but which are nevertheless B8 uses.
- 5 A further addition takes into account forecast future losses of B8 floorspace to other uses (based upon past trends) of 5.22 ha.
- 6 An allowance is then made to provide for future flexibility as before, based on providing an extra five years’ provision for growth based on past take-up rates for all sectors providing for B8 floorspace (0.78 ha based on the last 8 years’ data extrapolated to five years to result in a further requirement for 3.9 ha for all B8 uses), excluding large one-off developments. This results in a total gross need of **24.3 ha for B8**.
- 7 Whilst the above calculation models the local need outside of the sub regional forecast as being 1.2 ha, the CE forecast, which according to SPRU reflects local rather than sub-regional growth, produces a much higher requirement (11 ha) than the 1.2 hectares of the Experian model and so SPRU considers it appropriate to ensure that provision is made for this potentially higher level of growth which would require some 11 ha. The 1.2 ha is then netted off.
- 8 The EDNA then nets off a further 2.5 ha on the grounds that the flexibility margin of 3.9 ha is double counting with the CE forecast (CE forecast = 11 ha / 20 years multiplied by 5 years = 2.5).
- 9 **This results in a gross need of 31.6 ha comprising the Experian-based growth Scenario (23.1 ha) plus additional flexibility. When added to the 6.7 ha office and 25.3 ha industrial requirement, this results in a need for 63.6 ha of employment land overall.**

6.37 Of the 31.6 ha required for B8 uses over the Plan period under the Growth Scenario, the EDNA considers that some 10.0 ha are already provided for in the WMI development (based on the Experian-based LEP growth scenario uplift), for the period to 2035. This is derived from capturing sub-regional trends in the Transport & Storage sector within the Growth Scenario forecast for the proposed WMI build-out period of 2020 to 2035. A total gross requirement of **21.6 ha** is identified separately by SPRU to the assumptions for WMI.

6.38 However, the assumptions for job creation set out through the DCO process suggest that WMI will generate some 1,560<sup>24</sup> jobs expected to be filled by the resident workforce in South

<sup>24</sup> Appendix 1 (Labour Market Context Report) to Appendix 3 of Applicant's Post Hearing Submissions (ISH1) (ref: Document 9.1) submitted in response to The West Midlands Rail Freight Interchange Order Examination (ref: TR050005)

Staffordshire, and the EDNA assumes that 80% will be for the Transport & Storage sector (c.1,245 jobs). SPRU considers that this equates to a figure of 18.8 ha rather than the 10 ha assumed, and therefore a further 8.8 ha is added on to the B8 requirement, bringing the total up to **72.4 ha overall**.

- 6.39 The 8.8 ha is a measure of the additional jobs provided at WMI that it is anticipated will be met by the existing South Staffordshire labour force through either reduced unemployment or reduced out-commuting. SPRU states that the 18.8 ha can be attributed to labour demand associated with the WMI proposals and their sectoral offer.
- 6.40 The report concludes that the District's objectively assessed need for employment land equates to 63.6 ha (including 31.6 hectares within Use Class B8, taking account of providing additional flexibility for demand within the Transport & Storage sector). Factoring in the additional B8 requirements for WMI which are not currently captured in the LEP Growth scenario (+8.8 hectares within Use Class B8), this increases the B8 provision to 40.4 ha and the overall total figure to 72.4 ha:

Table 6.4 Total Employment Land Needs (ha) – Comparison of Scenarios, 2020-2040

Description	B1a/b	B1c/B2	B8	Total
Labour Demand - CE	8.9	7.1	20.5	<b>36.4</b>
Labour Demand – OE	3.9	-7.1	2.0	<b>-1.3</b>
Labour Demand – Experian	4.8	30.0	6.1	<b>40.8</b>
Labour Demand – growth Scenario	6.7	25.3	23.1	<b>55.1</b>
Total Objectively Assessed Gross Employment Land Needs	<b>6.7</b>	<b>25.3</b>	<b>31.6</b>	<b>63.6</b>
Growth Scenario taking account of WMI proposals and other adjustments	<b>6.7</b>	<b>25.3</b>	<b>40.4</b>	<b>72.4*</b>
Completions Trend Scenario	10.5	37.6	15.5	<b>63.7</b>

Source: EDNA 2022, Table 84

\*Of which a total 18.8 ha is attributable to modelling of the potential take up of jobs at WMI site by South Staffordshire residents including 8.8 ha additional to assumptions in the current labour demand forecasts.

### Supply / Demand Balance and Policy Recommendations

- 6.41 The EDNA concludes by assessing the supply-demand balance, including identifying any 'surplus' in land and floorspace that might constitute a contribution towards meeting the unmet needs of neighbouring authorities. To do this, SPRU began by apportioning the land use requirements in the Growth Scenario by strategic and non-strategic sites at a ratio that reflects the proportion of past completions delivered on strategic and non-strategic sites. This indicates that between 2012/13 and 2019/20, 69% of B2/B8 land was delivered on strategic sites, and 31% of non-strategic sites (although this excludes 78.6 of B8 and 110.3 ha of B2 at JLR and Amazon/Gestamp. **As a result, the approach suggests that the B8 contribution from strategic sites will be just 0.2 ha, or 0.38% of the total).**
- 6.42 The EDNA then applies these ratios to the land-use requirements in the Growth Scenario. A further adjustment to the requirement on strategic sites was made to take account of past completions trends, noting that the Growth Scenario would require only marginally less delivery from strategic sites than observed in past trends.
- 6.43 The EDNA considers this adjustment based on providing policy recommendations for the management of the supply-demand balance after the overall calculation of need for land

and floorspace under the Growth Scenario. This reflects that the Growth Scenario provides a more robust measure of future requirements compared to scenarios solely based on past trends. This does not change the overall objectively assessed need for land and floorspace of 63.6 hectares (excluding the impact of WMI) but is a function of the likely role of existing Strategic Sites in meeting these overall needs. Table 6.5 summarises the overall calculation of demand on this basis.

Table 6.5 Allowance for Supply on Strategic Sites Equivalent to Accommodating Apportionment of the LEP-Based Growth Scenario

Description	B1a/b	B2/B8	Total
(a) Apportionment by LEP-based Growth Scenario: Strategic Sites	5.2	32.4	<b>37.5</b>
(b) Apportionment by LEP-based Growth Scenario: Non-Strategic Sites	1.5	14.6	<b>16.1</b>
(c) Apportionment by LEP-based Growth Scenario: WMI	0	18.8	<b>18.8</b>
<b>(d) Apportionment by LEP-based Growth Scenario: Total</b>	<b>6.7</b>	<b>65.7</b>	<b>72.4</b>
(e) Completions trend scenario – Strategic sites	8.2	36.6	<b>44.8</b>
(f) Difference between LEP-based Growth Scenario: Strategic Sites (a) and Completions trend (e), based on split of past take up (18.2% B1, 81.8% B2/B8)	1.3	5.9	<b>7.3</b>
(g) Growth Scenario Apportionment + Difference by Equivalent for Past Take Up (a+f)	6.5	38.3	<b>44.8</b>
(h) Applicable difference by Equivalence Ratio for Past Trends (f): 1.3/7.3; 5.9/7.3)	18.2%	81.8%	-
(i) Demand Total (excluding WMI) b+g	8.0	52.9	<b>60.9</b>

Source: EDNA 2022, Tables 88, 89 and 90

- 6.44 The EDNA assesses a remaining pipeline of supply upon strategic sites of 87 ha and calculates that using the same ratio, 14.1 ha<sup>25</sup> of this total would comprise an allowance for the additional relative proportion of past take-up on strategic sites compared to the apportionment of the Growth Scenario.
- 6.45 Using these assumptions, the EDNA calculates that a total of around 51.71 ha (37.5 +14.1) is potentially attributable to requirements based on labour demand and allowances for higher take-up based on strategic sites using past trends. SPRU considers that this indicates a potential contribution towards the unmet needs of neighbouring authorities from the Strategic Sites pipeline of 87 ha would be at least **35.4 ha**. This is summarised in Table 6.6:

<sup>25</sup> Growth Scenario Apportionment vs. Past Trend Equivalent:  $37.5 / 44.8$  (rounded) = 0.8377; 87 hectares supply pipeline x 0.8377 = 72.9 hectares;  $87 - 72.9 = 14.1$  ha



Table 6.6 Indication of Minimum contribution Towards Additional Needs Not Covered by growth Scenario and Past Take Up Assumptions

Description	B1a/b	B2/B8	Total
(i) Strategic Sites – Total Pipeline	14.7	72.3	<b>87.0</b>
(ii) Total Pipeline – Potentially attributable to Past Trend Equivalence Ratio vs Growth Scenario (16.2% of total)	2.6	11.5	<b>14.1</b>
(iii) <i>Applicable Difference by Equivalence Ratio for Past Trends</i>	18.2%	81.8%	
(iv) Total Pipeline – attributable to Labour Demand (i-ii)	12.1	60.8	<b>72.9</b>
(v) Apportionment by LEP-based Growth Scenario	5.2	32.4	<b>37.5</b>
<b>(vi) Minimum Potential Contribution towards Unmet Needs (iv-v)</b>	<b>7.0</b>	<b>28.4</b>	<b>35.4</b>
(vii) Total Potentially Attributable to Labour Demand and Equivalence for Past Trends (ii + v)	7.7	43.9	<b>51.7</b>
(viii) Total (vi + vii)	14.7	72.3	<b>87.0</b>

Source: EDNA 2022, Table 91

- 6.46 The total of 51.7 ha potentially attributable to requirements based on labour demand and allowances for past take-up exceeds the identified need of 44.8 ha (Table 6.5) by around 6.9 ha (of which 5.6 ha relates to B2//B8 and 1.2 ha to office). SPRU considers that the 5.6 ha represents a potential surplus versus allowances for past trends made to apportion the Growth Scenario to strategic B2/B8 sites.
- 6.47 The EDNA notes that there may not be a good qualitative match with past trends or needs of specific growth sectors. Therefore, it states that the Council should take a pragmatic view on the contribution of strategic sites towards any surplus within the supply-demand balance against the Growth Scenario recommendations. SPRU states that this should be further informed by the specific details of the supply pipeline on strategic sites and the prospects for its future delivery at a given point in time.
- 6.48 To the 35.4 ha potential contribution towards the unmet needs of neighbouring authorities referenced above, SPRU considers that 1.2 ha should be added on to reflect the potential surplus of office land that was excluded from the Growth Scenario and Past Trend equivalent. This brings the total potential unmet needs contribution up from 35.4 ha to 36.6 ha, which SPRU considers to be a reasonable minimum indicator of supply not attributed to findings of the Growth Scenario or trends in past take-up, discounting the role of significant atypical schemes such as the investment by JLR.
- 6.49 Based on the Council's total committed pipeline of supply on non-strategic sites as at 1<sup>st</sup> April 2020, the EDNA concludes that there is a small deficit against the apportionment of the Growth Scenario for both types of land and floorspace (as shown in Table 6.7) although this would be very modest for office uses (less than 0.1 ha). The EDNA considers that the potential deficit for B2/B8 functions would be more than offset by the potential surplus relative to past trends provided upon strategic sites for these uses (5.6 ha) in the overall balance.

Table 6.7 Supply/Demand Balance - Overall

Total (Strategic and Non Strategic Sites)	B1a/b	B2/B8	Total
(i) Demand (excluding WMI)	8.0	52.9	<b>60.9</b>
(ii) Supply – Non Strategic Sites	1.4	10.7	<b>12.0</b>
(iii) Supply – Strategic sites including surplus	6.5	43.9	<b>50.4</b>
(iv) Total Supply (SSDC proportion) (ii) + (iii)	7.9	54.6	<b>62.4</b>
<b>(v) Surplus / Deficit</b>	<b>-0.1</b>	<b>+1.7</b>	<b>+1.5</b>

Source: EDNA 2022, Table 95

- 6.50 The EDNA concludes that the result of the supply-demand balance indicates that strategic sites can be expected to provide for the majority of labour demand locally. A small effective oversupply on non-strategic sites is generated, subject to the assumption that a surplus of B2/B8 within strategic sites (5.6 hectares) meets an increased proportion of the Growth Scenario. SPRU concludes that the remaining pipeline of sites appears well-placed to sustain delivery in-line with past trends, *“excluding the provision of large ‘one-off’ investor developments such as those by Jaguar Land Rover, together with some residual provision for unmet needs from neighbouring authorities”* [paragraph 0.74].
- 6.51 The EDNA suggests that SSDC should respond positively to the recommendations of the supply-demand balance to ensure a range and mix of provision on non-strategic sites where this would support diversity and choice in the portfolio of employment land and potentially better address needs identified under the Growth Scenario assumptions but outside of the Strategic Sites.
- 6.52 The total supply comprises 99 ha, minus the contribution towards unmet needs of 36.6 ha = 62.4 ha. According to the EDNA, when set against a supply on strategic sites available for unmet needs this equates to 44.8 ha + 12.0 ha + 5.6 ha surplus or B2/B8 uses derived from strategic sites, which equates to 62.4 ha.
- “There are, however, reasonable qualitative and quantitative grounds to consider that this broad balance between supply and demand can be achieved going forwards without requiring the allocation of further strategic or non-strategic sites. It is noted that of the 12 ha supply on non-strategic sites at 1 April 2020 around 2.2 ha comprised ‘windfall’ provision not identified within the existing development plan. The Council should carefully consider any further evidence that such sites will reliably and consistently become available over the plan period (e.g., through intensification or expansion on existing sites) in order to comprise further additional land and floorspace to that identified”* [paragraph 12.44].
- 6.53 SPRU accepts that the approach outlined means that the identification of a larger pipeline of strategic sites would be surplus to South Staffordshire’s needs based on the findings of labour demand and past trend scenarios considered in this EDNA. However, it notes that the nature of the surplus calculated on this basis, while numerically greater, **would not necessarily be comparable to the nature of land and floorspace utilised to accommodate past atypical schemes and large-scale investment such as that by Jaguar Land Rover (which have been omitted from past trends and are not well-reflected within forecasts for labour demand).**

*“To this extent for the purposes of policy-making it is necessary that the extent of the potential contribution towards unmet needs should also have regard to the location and*

*nature of identified supply – for example the ability to support known investor demand and the locational benefits of providing for certain sectors upon different types of site. This would be necessary as part of ensuring that any potential contribution towards unmet needs is sustainably located as part of an assessment of all reasonable alternatives, rather than simply for the purposes of comparison against provision towards labour demand in South Staffordshire identified by the findings of this EDNA and the Growth Scenario” [paragraphs 12.49 and 12.50].*

## **Critique of the 2022 EDNA**

- 6.54 It is appropriate that the focus of the South Staffordshire EDNA 2020-2040 has been on understanding the amount of employment land is required to ensure the District’s economy can grow in a sustainable and positive manner over the plan period. This approach is supported by Lichfields, given that the Council should adopt a positive strategy, encouraging economic growth whilst disregarding scenarios that would likely result in a stagnating economy.
- 6.55 In this regard, much of the EDNA is helpful in that it identifies that recent developments such as i54 and the M54/M6 link are making South Staffordshire stand out as a more 'dynamic force' than other parts of the West Midlands region. It acknowledges that vacancy rates in industrial and warehousing units are at a historic low, and that there is relatively little 'churn' in existing stock, and little new floorspace is coming onto the market. As a result, there are identified shortfalls in available industrial floorspace in South Staffordshire of all sizes.
- 6.56 The recommendation in the EDNA of a Growth Scenario that attempts to uplift certain key LEP industrial sectors is a helpful aspiration, as is the incorporation of a margin of choice and the replacement of losses (even if we disagree on the scale of those adjustments).
- 6.57 However, whilst adopting aspirational growth levels and seeking to build upon the opportunities afforded by the District’s excellent access to the Strategic Road Network is welcomed, unfortunately in practice, we consider that the mechanisms by which the EDNA has identified the scale of employment land needed are flawed.
- 6.58 **As a result, the demand/supply imbalance is much wider than supposed and the Council risks planning for a significantly lower level of employment land growth than is desperately needed.**
- 6.59 In particular, we have concerns with the way that SPRU moves away from the objectively assessed need for industrial and warehousing land that is articulated relatively succinctly in Sections 7, 8 and 9 in the EDNA, to examine the relationship between the WMI and future economic growth scenarios in Sections 10 and 11 and the contribution that strategic sites based in South Staffordshire should be making to meet wider needs in Section 12.
- 6.60 The latter approach is excessively complicated, relies on a number of contentious judgements that, if incorrect, invalidate the calculations; and attempts to pre-judge the outcome of ongoing strategic logistics employment land needs assessments across the wider region.
- 6.61 We set out below our key areas of concern with the EDNA.

## Issues with the OAN Calculation for Employment Land

- 6.62 The 2022 EDNA models a range of scenarios to come to an objectively assessed gross employment land needs figure of 63.6 ha.
- 6.63 It is important to highlight just how complex this calculation is and the mixing and matching of inputs and scenarios that underpins it. Our understanding of how SPRU has come to this figure is broadly as follows:
- 1 SPRU identified a range of econometric forecasts from Experian (+3,000 net job growth 2020-2040), OE (-2,300) and CE (+5,000). For the purposes of labour demand modelling the Experian forecast was utilised based on the detailed measures of employment growth by sub-sector, with several sectors that aligned with the LEP's growth plans either inflated or (in the case of manufacturing) deflated to derive a Growth Scenario of 4,824 jobs. As part of the latter calculation, the Transport & Storage sector was increased from +100 (Experian) to +882;
  - 2 The job figures were translated to FTEs based on the proportion of FT/PT jobs in BRES. This reduces the growth from 5,000 to 4,000 under the CE scenario which is the only worked example given despite the preferred scenarios being Experian and the Growth Scenario;
  - 3 Employment Densities were applied to the individual sectors relating to office, industrial and warehousing from the HCA Employment Densities Guidance 3<sup>rd</sup> Edition (2015) and a plot ratio of 40% applied to translate this to land. This equates to a net employment land need of +15.1 ha for CE, -24.0 ha for OE, +19.2 ha for Experian and **33.8 ha** for the Experian-based Growth Scenario;
  - 4 Replacement demand equal to **10.91 ha** is added to these figures, based on past losses;
  - 5 SPRU then revisits the net growth figures by sector and makes a downward adjustment to the floorspace to reflect homeworking. This reduces the net requirement quite significantly, to +9.6 ha for CE, -28.0 ha for OE, +13.9 ha for Experian and **28.3 ha** for the Experian-based Growth Scenario;
  - 6 A flexibility margin of **15.9 ha** is then added, based on 5 years of completions (excluding JLR, Amazon and Gestamp). This results in total gross employment land needs of 36.4 ha for CE; -1.3 ha for OE; 40.8 ha for Experian; and **55.1 ha** for the Growth Scenario. This rises to **56.3 ha** once a further 1.2 ha associated with net needs for the Transport & Storage sector is added on from the Experian baseline forecast for the district, which the EDNA claims is generated by local rather than sub-regional needs;
  - 7 The EDNA then moves on to calculate gross employment land needs incorporating an apportionment of WMI. Despite the Growth Scenario being based on the Experian projection with an uplift for key growth sectors, SPRU decides that this is an appropriate point to begin **mixing and matching the projections**. Specifically, it calculates that the Experian projection requires a net growth of just 1.2 ha in the Transport & Storage sector, which apparently represents a baseline level of growth. SPRU then takes the CE growth in this sector, of 11.0 ha, as this is said to represent “*an upper guideline of qualitative requirements that would support delivery of a wider pipeline of land and floorspace within Use Class B8*” [paragraph 10.63];

- 8 From the 11.0 ha Transport & Storage CE Forecast, SPRU then deducts the **1.2 ha** from the Experian Baseline, to come to a figure of 9.8 ha. They then deduct a further 2.5 ha from the existing margin for flexibility accounted for in the overall gross needs calculation to come to a revised flexibility figure of **7.3 ha**.
- 9 This latter adjustment is particularly concerning. Paragraph 10.72 x) states that *“There has already been an allowance of 3.9 ha made for flexibility using an approach based on past take-up. A proportion of this must be removed to avoid double counting of the Transport & Storage sector. According to the CE forecast this sector has a growth rate of approximately 0.5 hectares per annum (11 ha / 20 years). Therefore, provision for an additional 5 years would be 2.5 hectares (0.5 x 5 = 2.5 ha). This would leave some 1.4 ha of the 3.9 hectares flexibility allowance using past build rates to provide for non-Transport & Storage sectors. Given that the 3.9 ha is already within the gross needs calculation, we have deducted the 2.5 ha which relates to growth of the Transport & Storage sector as this is already accounted for by the 11 hectares total under the CE forecast.”*
- 10 We disagree with this point on a number of levels. Firstly, the 3.9 ha flexibility margin in Table 73 relates to all B8 needs, not just for the Transport and Logistics sector. Secondly, the CE adjustment and the margin of choice are attempting to address different issues. The CE adjustment is made on the basis that *“under the assumptions of the CE forecast more modest levels of total employment growth, consistent with sustaining the total proportion of jobs in the Transport & Storage sector and the concentration of employment relative to the region, could be sustained by continuing past trends in the delivery of land excluding atypical schemes”* [paragraph 10.65]. Clearly the Experian requirement of 1.2 ha for B8 logistics over 20 years is inadequate to meet needs and it is appropriate to depart from this figure, but the added realism applied to the forecast by CE is different to the margin of choice which is trying to provide additional flexibility *“by ensuring a sufficient quantum and range of sites are available to support business growth and inward investment”* [paragraph 9.43]. Furthermore, SPRU undermines its own approach in using the CE projection for this sector by going on to state that *“it may be inappropriate to discount the remainder of the CE forecast even if its assumptions relating to the total proportion of workforce jobs arising from estimated growth in the Transport & Storage sector between 2018 and 2020 are unreliable”* [paragraph 10.67].
- 11 Adding the 7.3 ha ‘additional flexibility’ increases the B8 needs to 31.6 ha and the overall Growth Scenario requirement **from 56.3 ha to 63.6 ha**, which SPRU considers to be South Staffordshire’s identified need for employment land.
- 6.64 We therefore disagree that the approach taken to defining the 63.6 ha of need is sound.
- 6.65 Furthermore, and as we set out above, we also disagree with the EDNA’s estimation that 1,240 Transport & Storage sector jobs equates to **18.8 ha of B8**. This should be 24.8 ha (or 22.3 ha if the jobs are translated to FTEs) based on an employment density of 80 sqm. SPRU adds 8.8 ha from the 18.8 ha consented supply which it considers equates to the WMI apportionment (by deducting 10 ha, which is equivalent to the Transport and Storage component of the Experian Growth Scenario for 2020-35), to the 63.6 ha figure to come to a total Growth scenario incorporating adjustments for provision at WMI equal to **72.4 ha**.



Again, we consider that this approach involves making adjustments from a range of different scenarios that is illogical, inconsistent and overly complicated.

### **Errors in the Net to Gross Calculations**

- 6.66 In its Labour Demand Modelling Assumptions (Section 9.0), the EDNA converts the net requirements generated by the econometric modelling into gross development needs. It states that this is done by accounting for the quantum of losses of existing stock which is expected to be lost over the forecasting period. It then adds a margin of flexibility to allow greater choice to support changing business needs.
- 6.67 Whilst we fully support the principles behind these adjustments, we are concerned that the scale of the adjustment is insufficient, whilst other allowances that are typically included within the recommended employment requirements are excluded.

### **Adjustment for Vacant Units**

- 6.68 As part of the calculation to convert net employment requirements to planning (or gross) employment requirements, the approach should make an adjustment to reflect the fact that not all of the floorspace will be occupied. An allowance of 7.5%/8% is typically added to positive floorspace requirements to reflect ideal levels of market vacancy in employment space. This would increase the overall floorspace requirements and is a common adjustment made in EDNAs including those in LPAs close to South Staffordshire.
- 6.69 For example, the Birmingham HEDNA, undertaken by IcenI in April 2022 adds a further 28,400 sqm for office space (5.7 ha) and 73,800 sqm for industrial/warehousing (15 ha) to address this point on the following grounds:

*“It is widely recognised that a level of vacancy in property markets needs to be maintained of 5-10% of total stock (with 7.5% as a central marker) to ensure that businesses have space to grow, downsize or for inward investment opportunities. Any future needs therefore should include this margin in addition to the core recommended requirement”<sup>26</sup>.*

### **Margin of Choice / Flexibility**

- 6.70 The EDNA states that it has added a margin of flexibility to the econometric forecasts to allow greater flexibility to support changing business needs and to allow for any delays in sites coming forwards; provide a choice of sites; and allow for a potential margin of error in the forecasting process. SPRU has calculated the margin of flexibility based on 5-years’ worth of completions, equal to 2.6 ha of office land and 13.3 ha of industrial / warehousing land (15.9 ha in total).
- 6.71 We agree that 5 years’ worth of completion is an appropriate margin in this particular instance. However, the EDNA goes on to state that:

*“The flexibility margin adopts a consistent set of assumptions regarding the delivery of atypical schemes that distort analysis of past take-up and by extension their potentially disproportionate impact on this allowance. Land and floorspace associated with the JLR facility at i54 together with the large-scale Amazon and Gestamp strategic distribution*

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<sup>26</sup> IcenI (April 2022): Birmingham Housing and Economic Development Needs Assessment, paragraph 17.33

*premises at Bericote Four Ashes have been excluded when calculating the flexibility margin.”*

- 6.72 On page 173 SPRU partially justifies the use of a margin of flexibility on the grounds that a high level of flexibility is required “*in order to be in a position to respond to emerging needs of both indigenous businesses and to continue to attract inward investment opportunities. A higher level of flexibility is also an appropriate response to the strong performance in delivery observed in recent years*”. If part of the logic of providing a margin of flexibility is to enable the Council to respond flexibly to unforeseeable inward investment opportunities, then it should not exclude past take up contributions from inward investment opportunities in recent years from JLR, Amazon and Gestamp.
- 6.73 Paragraph 6.21 indicates that the three large-scale units completed at Four Ashes and i54, which have been stripped out of the calculation of the margin of flexibility, totalled 275,876 sqm, or 69 ha (applying a plot ratio of 40%). **This is more than 5-times the total level of flexibility** that the EDNA factors into the industrial / warehousing calculation, which calls into question whether the margin is sufficiently large to accommodate large scale inward investment opportunities should the need arise.
- 6.74 Secondly, although SPRU has applied the margin of choice in the econometric modelling, it has **failed to do so in the Past Take Up Scenario**. The average annual completions achieved between 2012/13-2019/20 (excluding JLR, Gestamp and Amazon), of 12,733 sqm, are simply projected forward 20 years and translated into employment land through the application of a standard plot ratio to come to a requirement of 63.7 ha.
- 6.75 **However, if a 5-year margin of choice was consistently applied to this scenario as it is for the others, then this would increase the requirement from 63.7 ha to 79.6 ha, an increase of 15.9 ha.**

### **Loss Replacement**

- 6.76 The EDNA rightly converts the net floorspace requirements to gross through the application of what SPRU considers to be a suitable level of loss replacement.
- 6.77 It is appropriate for SPRU to make an allowance for the replacement of future losses of employment space that may be developed for other non-employment uses over the Plan period. Where such an allowance is factored into future employment space needs, it seeks to ensure that sufficient space is re-provided to account for employment space that could be lost moving forward.
- 6.78 It is important to ensure that losses are replaced to ensure that the overall availability of employment space is not eroded over time. The erosion of an area’s overall stock of floorspace would be in conflict with the NPPF, which requires the planning system to:  
*“Help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth.”* [paragraph 8a]
- 6.79 This is a widely accepted approach in planning for employment land needs, and in this regard, we are in agreement with SPRU that it is an important step. However, we are concerned that the level of replacement fails to reflect likely trends.

6.80 The EDNA sets out in Table 65 how it has calculated the level of loss replacement.

*“There is relatively limited evidence of any large-scale past loss of land and floorspace in the district. A future estimate has been based on past trends of employment land lost to other uses in each authority since 2011/12 annualised and then forecast forward over the 20-year forecasting period. To provide a sense-check on the robustness of the allowance for losses a comparison has been undertaken with the current committed pipeline of employment floorspace that may be lost to other uses. On an annualised basis the current pipeline of losses continues to compare closely with past trends but if replicated based on the most recent commitments data would produce a lower total than allowed for based on the 2011 to 2020 data, suggesting a robust approach has been applied to this allowance.”*

6.81 This is based on losses of office / industrial floorspace completed since 2011, which comprises just 25,000 sqm or around 2,200 sqm of B Class floorspace per annum. This is multiplied by 20 (years) and converted to land to come to a replacement demand of just 10.91 ha (of which 2.28 ha relates to offices and 8.63 ha for industrial / warehousing).

6.82 SPRU notes that it has sense-checked the robustness of the allowance for losses by comparing this with the current committed pipeline of employment floorspace that may be lost to other uses. *“On an annualised basis the current pipeline of losses continues to compare closely with past trends but if replicated based on the most recent commitments data would produce a lower total than allowed for based on the 2011 to 2020 data, suggesting a robust approach has been applied to this allowance.”* [paragraph 9.31]

6.83 **We disagree with SPRU’s approach as this suggests a figure of just 2,182 sqm per annum, or 0.55 ha, which seems too low and will do little to rejuvenate the District’s aging stock.**

6.84 For example, the Council’s 2022 Strategic Housing & Economic Land Availability Assessment [SHELAA] identifies a number of employment sites that have planning permission for housing or which are under construction (as of 31<sup>st</sup> March 2021).

6.85 These include the following:

- Baggeridge Brickworks, Fir Street, Gospel End (C2), planning application reference number 19/00318/FUL. Full planning permission for 34 dwellings on a **0.62 ha site**;
- SAD 281 Land off Ounsdale Road, Wombourne (C2 element), planning application reference number 18/00432/FUL. Full planning permission for 34 dwellings on a **0.95 ha site**;
- SAD 281A Land off Giggetty Lane, Wombourne (18/00831/FUL), under construction for 32 dwellings on a **1 ha site**;
- Lyne Hill Industrial Estate Phase 2&3 Boscomoor Lane, Penkridge (15/01089/REM), under construction for 9 further dwellings in addition to 39 units completed in 2020/21 on a **4.2 ha site** (relating to 120 dwellings);
- Lyne Hill Industrial Estate Phase 4 Lyne Hill Penkridge (15/01124/FUL), under construction for 9 dwellings (**0.4 ha**);
- Lyne Hill Industrial Estate Phase 5 Lyne Hill Penkridge (16/01054/FUL), 13 units completed 2020/21 (**0.81 ha**);

- 20/00081/FUL Proposed demolition of former High Green garage and the erection of a single dwelling. High Green Garage Limited 7 High Green Brewood, Approved subject to conditions (**167.9 sqm / 0.04 ha**);
- 20/00637/FUL Demolition of the former sawmill building, erection/extension of two buildings, and change of use of retained buildings, to provide 5 residential dwellings and commercial units, with associated infrastructure, and the redevelopment of a 39-space car park. Approved, subject to conditions (**0.4 ha**);
- 20/00063/FUL Erection of second floor and extensions to provide a mix of 7 no. 1, 2 and 3 bedroom flats, Baggeridge House Fir Street Gospel End. The site is occupied by a single building, the former office building of the Baggeridge Brick Company. The building, formerly in a B1(a) use, has since benefitted from prior approval under the terms of the Town and Country Planning (General Permitted Development) Order for full conversion to residential use. Approved, subject to conditions (**0.33 ha**);
- 19/00989/FUL Demolition of existing buildings and redevelopment to include erection of 9 no. new houses with associated access, parking and garden areas. Prime Oak Whitehouse Lane, Swindon. The application site consists of the existing business premises for Prime Oak Ltd. The Applicants, Prime Oak, are a high-profile manufacturer and employer within the District. Approved, subject to conditions (**1.04 ha**).

6.86 It is noted that the EDNA states that the loss figures “*exclude the large scale loss of over 112,000sqm B2 floorspace at the Baggeridge Brickworks site in 2017 which has been removed as an anomaly*” [page 9]. We also accept that clearly not all of the sites highlighted above will come forward in any one particular year; nevertheless, these cumulatively total 9.79 ha, which is not far off the entire replacement demand of 10.91 ha allowed for in the EDNA (2020-2040) and more is likely to be lost over the remaining years of the Plan. It suggests that there is justification for going well above the loss replacement figure in the EDNA.

### **Anti-Growth Approach to Homeworking**

6.87 The EDNA accepts that remote working is already factored into the employment densities calculated by HCA and used by SPRU in its need calculations:

*“Remote working is traditionally factored into the modelling implicitly via the employment densities from the HCA Employment Densities Guide (2015) which considers the amount of floorspace per worker for different uses and factors in things such as hot-desking and agile working. In order to avoid ‘double counting’ these factors, 2015 has been used as a baseline and changes in home working trends have been measured from 2015 onwards over the plan period to 2040 to assess how home working rates are likely to increase since the HCA figures were calculated”* [paragraph 8.113].

6.88 However, the EDNA goes on to state that it has considered how the working from home trends that have been accelerated due to Covid-19 are likely to change from 2015 onwards over the plan period:

*“This has been done using national data on home working from ONS for the period 2012-19. This has been extrapolated forward to 2040 (see Section 8 for details). This is done*

*for each sector and results in a total proportion of home working of 8.7% by 2040 although for some (predominantly office-based) sectors this is higher – the highest is IT and Communications which grows to 23.3% by 2040. Using 2015 as a base-date – as this aligns with the latest HCA employment densities data – we have calculated the increase in the proportion of homeworking for each year to 2040.” [paragraph 9.39]*

- 6.89 This is an unusual approach and essentially ‘nets off’ a proportion of jobs growth by assuming that they will not be requiring any floorspace as they will be working from home rather than with colleagues in an office/factory/warehouse. Whilst the proportion of homeworking has undoubtedly accelerated, it is extremely difficult, if not impossible, to accurately forecast where we will be by 2040 and therefore to discount an element of jobs growth from the figures does not provide the necessary flexibility required by the NPPF.
- 6.90 Indeed, we are already seeing a backlash amongst many high-profile companies who are seeking to reverse homeworking trends (Elon Musk scrapping Twitter’s homeworking policy being one of the most high-profile examples).
- 6.91 Furthermore, just because people may be coming into the office less frequently, this does not automatically translate into a reduction in space requirements as they may still require a workspace for those two or three days in the week that they do come into the office.
- 6.92 The mechanics by which SPRU has undertaken this adjustment is also unclear. For example, The EDNA states that it has taken a base date of 2015 to apply the percentage working from home as this is the date of the HCA Employment Density Guide 3<sup>rd</sup> Edition; but it is unclear if SPRU has then applied the 2015 working from home percentage to the 2020 job forecast, and the 2040 homeworking percentage to the 2040 job forecast and balanced the two; or whether it has just discounted the net 20-year jobs growth by the change on homeworking between 2015 and 2040 (Table 71 only provides the 2015 figure, not a 2020 one). Either way, it risks comparing apples with pears by applying a 2015 figure to a 2020 starting point.
- 6.93 There also appears to be errors in the data. For example, Table 59 in the EDNA, which summarises projected change in working from home per sector 2015-40, suggests that there could be an increase from 5.3% to 9.2%. However, the Table suggests that the net change is 3.6%, whilst this is of course 3.9% (an error repeated in the main text).
- 6.94 Furthermore, we do not recognise the figures in Table 59 regarding the current and future change in homeworking by sector. This is sourced as ‘*SPRI analysis of various forecasts*’ and suggests that in 2015 the total proportion of jobs that involved working from home was just 5.3%, rising to 9.2% in 2040. However, this appears to be very low. The HCA Employment Density Guide 3<sup>rd</sup> Edition (2015) says:
- “Data produced by the ONS in June 2014<sup>1</sup> suggests that almost 14% of the UK’s working population now work from home, the highest rate since comparable data collection began in 1998” [paragraph 3.36].*
- 6.95 This is supported by more recent data published by ONS in 2022<sup>27</sup> on homeworking, which indicates that before the Covid-19 pandemic hit, total homeworking across the UK was

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<sup>27</sup> ONS (2022): Homeworking in the UK - regional patterns: 2019 to 2022



14.5% (as of October to December 2019), rising to 15.1% for England. We are unclear why SPRU's figures are so different to both the HCA's figures and ONS.

- 6.96 The overall approach taken by SPRU to homeworking therefore has a significant impact, with a reduction of between 4.1 ha (OE scenario) to -5.4 ha (Growth Scenario) across the various scenarios, therefore we are concerned that this adjustment (which is not in the PPG or widely used in other ELRs/EDNAs across the country) depresses future growth needs unduly.

### **Failure to Align with Housing Needs and Labour Force Projections**

- 6.97 The NPPF [§82c] states that planning policies should “*seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment*”. **This retains the link between integrating economic growth and housing need.** There is a clear risk that where the labour force supply is more, or less, than the projected job growth, this could result in unsustainable commuting patterns and reduce the resilience of local businesses, resulting in a barrier to investment.

- 6.98 The emerging South Staffordshire Publication Plan [SSPP] (November 2022) recognises that, based on the Government's Standard Methodology, the Council's Local Housing Need [LHN] is 241 dwellings per annum [dpa]. Between 2022-2039 this comes to a total requirement of 4,097, plus 992 completions in the period 2018-2022. The Council also proposes to make an allowance for an additional 4,000 dwellings to contribute towards the unmet needs of the GBBCHMA authorities:

*“It is considered that there is still a need to deliver the strategic growth recommended in the GBBCHMA Strategic Growth Study, in order to ensure that that emerging and existing shortfalls from the conurbation are addressed in a genuinely sustainable manner, reflecting the comparative sustainability of specific development opportunities across the GBBCHMA. South Staffordshire therefore proposes retaining the 4,000 dwelling contribution towards the unmet needs of the housing market area and will adjust the housing target accordingly to deliver this”* [paragraph 5.16].

- 6.99 Planning positively is to be welcomed and it is absolutely right that SSDC should seek to over-provide on its LHN starting point to address a strategic housing shortfall given the national housing crisis. However, there is no consideration in the 2022 EDNA as to what this means, in practical terms, for its employment land requirement.

- 6.100 **As set out above, the core scenarios in the EDNA relate to the Experian econometric projections (+3,000 jobs) with an upward adjustment for the selected growth sectors for the Growth Scenario (+4,824 jobs). No modelling has been undertaken by SPRU regarding the scale of the labour supply that this would sustain, and whether an increase of 79% above the baseline standard methodology figure (9,089 / 5,089) to address some of the unmet strategic housing needs of the GBBCHMA, would justify a greater uplift to the employment land requirement.**

- 6.101 Ensuring a sufficient supply of homes within easy access of employment opportunities represents a central facet of an efficiently functioning economy and can help to minimise housing market pressures and unsustainable levels of commuting (and therefore congestion and carbon emissions). If the objective of housing growth is to be realised addressing

unmet needs across a wider area, then it will generally need to be supported by an adequate supply of accessible employment opportunities. The challenge of meeting employment needs is clearly of great importance, and the NPPF highlights this by stating that “*significant weight should be placed on the need to support economic growth and productivity*” [§81]. There is no indication in the 2022 EDNA as to how the level of employment land identified correlates with the housing need target.

- 6.102 Lichfields acknowledges that the derivation of housing need from employment land targets is a complex issue, but further work is clearly needed to demonstrate that the housing growth ambitions match the employment land target.

### **The Completions Trend Scenario**

- 6.103 We have a number of concerns with how the completions trend scenario has been calculated and features in the EDNA:

- The past take up scenario set out in Section 6.0 of the EDNA very simply projects forward gross industrial/office completions between 2012/13 to 2019/20 and multiplies the resulting figure by 20 years. However, this is based on an annual average of 10,629 sqm per annum for B2 and B8 which is well below the actual level of delivery because it has removed JLR, Amazon and Gestamp. If these were included, the annual average completions would equate to 45,113 sqm.
- Whilst there is some logic to stripping out truly abnormal developments, these merely reflect the scale of market demand for strategic scale industrial and warehousing uses in South Staffordshire District. As a result, they form the bulk of delivery since 2012 and 2019, and therefore to strip these out risks under-playing the true need for strategic B8 in the District:

*“In total between 2012 and 2019, 28% of industrial completions in South Staffordshire were delivered at the Gestamp/Amazon development at Four Ashes Strategic Employment Site (totalling 101,305 sqm) and 48.4% of industrial completions were delivered at the JLR site at i54 Business Park (totalling 174,571 sqm). Together, these two sites account for over three quarters (76%) of South Staffordshire’s industrial floorspace completions between 2012 and 2019. These are primarily larger size units of over 20,000 sqm.”* [paragraph 6.17]

- There is also the inconsistency of a pro-growth econometric projection, which seeks to factor in strategic logistics needs, but does so by using take up data that explicitly deducts JLR, Amazon and Gestamp. As a result, the strategic take up which informs the contribution of strategic logistics sites in South Staffordshire is founded on past completions trend that totals just 0.2 ha for B8 (see Table 86). This would rise to 78.8 ha if JLR, Amazon and Gestamp were included.
- Furthermore, the impact of these strategic developments clearly influences the other econometric demand scenarios, as is articulated in paragraph 10.59 of the EDNA:

*“By way of comparison net requirements for 8 ha of additional land use for the Transport & Storage are identified from the baseline Experian forecast if applied for the period 2018 to 2038. This cannot realistically be considered as a separate guideline for provision of land for Use Class B8 over the whole 2018 to 2038 period. 6.4 hectares of this total would be attributable to estimates of changing employment*

between 2018 and 2020. With reference to past take-up modelled figures for the 2018 to 2020 period in each forecast would exceed the 0.8 hectare average for B8 uses (see Table 29 in Section 6, page 87 –  $15.5\text{ha} / 20 = 0.775\text{ha}$  per annum). **This is because the past take-up analysis excludes atypical schemes relating to the delivery of strategic distribution floorspace for Amazon and Gestamp at Bericote Four Ashes that impacts directly upon the 2018 to 2020 modelling period as one potential explanation for the increase in employment.** This further reinforces the justification to exclude atypical schemes from the past take-up analysis. In our view, these large developments are not ‘atypical’ but are merely an indication of the scale of market demand that would be satisfied if the appropriate scale of sites were provided in the District [paragraphs 10.58-10.59].

- Therefore, the Experian baseline scenario is at least partly based on past trends and is therefore likely to reflect the strong presence of logistics firms in the District resulting from the Amazon and Gestamp developments, as recognised in the EDNA:

*“In the simplest terms the recent trends in South Staffordshire’s economy exist as a result of accommodating sub-regional needs and drivers to support and provide for economic development. The effect of this approach is embedded within any analysis of past completion trends and increasingly impacts upon measures of local labour demand”* [paragraph 12.4].

- Instead of identifying a B2/B8 past take up need of 53.1 ha (based on 10,629 sqm x 20 years with a plot ratio of 40%), the higher take up figure of 45,113 sqm would equate to a 20-year need for **225.57 ha**. Whilst this would no doubt include a substantial element of ‘bigger than local’ strategic B2 and B8 unmet need from elsewhere in the FEMA, this would neatly avoid the complex set of calculations employed by SPRU later in the EDNA to justify the District’s ‘proportionate’ contribution towards strategic logistics needs.
- Indeed, there are examples elsewhere in the West Midlands whereby SPRU has included seemingly atypical or one-off industrial / warehousing developments in the take up calculations. For example, SPRU’s *Telford Economic and Housing Development Needs Assessment*, undertaken in October 2020, states the following:

*“The two completions trends scenarios show significantly different results based on whether the MOD Donnington site is included. This difference is almost totally due to B8 requirements: 25.5ha vs 86.3ha. However, while this development is particularly large, there is no evidence to suggest that excluding it within the analysis represents a more robust approach to estimating future needs. This does not mean that we expect a single development of this scale or for the MOD is likely to come forward during the plan period, but rather that the overall scale of development appears reasonable, for numerous reasons: The stakeholder consultation identified that Telford & Wrekin is a preferable location for inward investment from both within the UK and overseas and the Council has a strong track record of supporting these opportunities for growth.*

*Similarly, there are a number of locational factors – such as agglomeration of existing businesses and support services, access to a skilled labour market, and access to the national motorway network – which are very attractive for large occupiers. This is reflected in the existing business demography and the new businesses who have moved into the borough in recent years. Therefore, **excluding this development***

***from the calculation of future employment land requirements would risk restricting future development and job creation opportunities. This suggests that the ‘Completions Trend – Including MOD Donnington’ scenario is the more reasonable of the completions trend scenarios.”*** [paragraph 10.30]

- It is unclear whether SPRU has **stripped out the ancillary office from the past take up rates for B2 and B8 when calculating take up**. It states in paragraph 9.45 when discussing the margin of choice: *“The delivery of ancillary office floorspace as a component of schemes, including other premises at i54 and Four Ashes excluding the atypical users referred to above, has been included when calculating the flexibility margin. This reflects that this ancillary office floorspace has been counted separately from the industrial and storage/distribution uses delivered under the same schemes.”*
- If SPRU has **removed ancillary office floorspace from the take up**, this is again an unusual and incorrect assumption that means comparisons cannot be accurately drawn with the subsequent econometric modelling. The employment densities in the HCA Employment Density Guidance 3<sup>rd</sup> Edition (2015) used by SPRU to translate the demand job forecasts into floorspace already make an allowance for ancillary office space within the B2 and B8 and do not treat it separately:
 

*“Ongoing requirements to improve operating efficiencies are introducing new activities into manufacturing plants and distribution centres in particular. Costs of shipping and reducing margins are driving operators to do more ‘final assembly’ within units rather than store completed products, which often occupy more space. This reduces the amount of ‘pure’ warehousing space and increases employment density. Similarly, facilities are integrating greater levels of office floorspace to enable complete business operations to be accommodated under one roof, reducing property costs. These increase levels of employment within units and hence serve to increase overall employment density”* [HCA Employment Density Guide 3<sup>rd</sup> Edition (2015), paragraphs 3.31-3.32].
- It is standard practice for EDNAs to **apply a margin of choice to the past take up scenario just as they do to econometric modelling scenarios** and numerous examples can be provided to this effect<sup>28</sup>. If this approach had been followed in the 2022 South Staffordshire EDNA, the Past Take Up Scenario in Table 30 would increase from 63.7 ha to 79.63 ha.

## **Logistics Under-Represented in the Modelling**

6.104

The Council’s employment land evidence base does not fully address the needs of strategic logistics and as such there is a risk that it is underplaying the need for Industrial and warehousing sites significantly. There is a wealth of evidence, including in the EDNA itself, demonstrating that there has been a step change in demand for ‘big box’ logistics in recent years, which has been exacerbated by the recent pandemic. However, the needs of strategic B8 are not fully allowed for in the modelling work.

<sup>28</sup> To take just one example, the Publication Places for Everyone Plan (August 2021) bases its employment land requirements for the 9 Greater Manchester districts upon evidence provided by Nicol Economics’ *Updated Note on Employment Land needs in Greater Manchester* (March 2021), which calculates an overall requirement of 3.33 million sqm of industrial / warehousing floorspace based on projecting forward weighted past completions with a 5-year margin of choice

- 6.105 Logistics is a fast-moving sector and one that has seen an unprecedented level of change and growth over the past 24 months or so. Whilst this has essentially been an expedited continuation of past trends, it has been accelerated by essential requirements of the pandemic and associated national lockdowns, Brexit and the rapid acceleration of the trend for e-commerce.
- 6.106 Similarly, research indicates a markedly increased demand for logistics units within the West Midlands, which has resulted in only 0.91 years' worth of supply in the region<sup>29</sup>. As Knight Frank has advised, "*availability is reaching critical levels of shortage, and the current pipeline of speculative development only goes some way in plugging the gap*"<sup>30</sup>. It is therefore highly likely that the currently proposed logistics requirements underestimate the latest market activity and economic developments and creates the risk to compromise economic growth across the area. In any case, these requirements relate to local, indigenous requirements for small businesses operating in the logistics sector within the District and do not fully reflect the strategic requirements that are identified across the FEMA – this is discussed further below.
- 6.107 A significant trend that has been driving change in the logistics industry is the rising role of e-commerce and the associated consumer expectations for flexibility. As well as increasing the number of deliveries, consumers also increasingly expect flexible delivery options, 'click and collect' services, and specific delivery times. This generates more demand for the logistics industry and it will continue to grow as consumer behaviour increasingly moves online, with 72.5% of the UK's population eShoppers – the highest proportion of any comparable country in Europe<sup>31</sup>.
- 6.108 Recent research suggests that logistics and manufacturing businesses are increasingly seeking larger sites which can accommodate larger warehouse units. The trend for larger warehouse units has seen the average sized unit increase from 217,000 sq. ft in 2015 to 340,000 sq. ft in 2020, with a rise of 242% for units of 1m+ sq. ft. In the corresponding period, the average eaves height of warehouses has increased from 11m to 14m<sup>32</sup>.
- 6.109 Savill's latest 'Big Sheds Briefing' (January 2022) states that overall, the logistics property market has proved able to rise to the challenge that Covid-19 has presented over the last two years, "*but with a backdrop of the lowest vacancy rate ever recorded and rising construction costs, it remains to be seen how the expected demand of 2022 can be satisfied*"<sup>33</sup>.
- 6.110 According to Savills, take up of strategic logistics space exceeded all records nationally in 2021, reaching a new annual record of 55.1m sq. ft, surpassing 2020's total of 51.6m sq ft, and shattering the long-term annual average by 86%:

*"Given the strong levels of take-up, supply has fallen at its fastest pace ever and now stands at 17.35m sq ft, reflecting a vacancy rate of 2.91%, the lowest levels ever recorded.*

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<sup>29</sup> See Savills 'The logistics market in the West Midlands' (Available at: [https://www.savills.co.uk/research\\_articles/229130/316120-0](https://www.savills.co.uk/research_articles/229130/316120-0))

<sup>30</sup> See Knight Frank 'Midlands Logistics & Industrial Market Insight Report 2021 Mid-Year Review' (Available at: <https://content.knightfrank.com/research/489/documents/en/logic-midlands-2021-mid-year-review-8296.pdf>)

<sup>31</sup> Centre for Retail Research Total Online Retail Sales 2018-2019 <https://www.retailresearch.org/online-retail.html>

<sup>32</sup> The size and make up of the UK warehousing sector (UKWA) – 2021

<sup>33</sup> [https://www.savills.co.uk/research\\_articles/229130/323880-0](https://www.savills.co.uk/research_articles/229130/323880-0)



*Grade A supply has fallen to 7.15m sq ft, down from 19.7m sq ft prior to the onset of Covid-19 in Q1 2020.*<sup>34</sup>

6.111 These national trends have been replicated across the West Midlands market. Savills reports that take-up in 2021 for the West Midlands was also the best on record, reaching 9.38m sq. ft in 2021 which is 2.41m sq ft above the second strongest year. Whilst take up is 101% above the long-term average, levels of warehousing supply are at the lowest levels ever recorded with only nine units available:

*“The supply of warehouse space within the region currently stands at 2.02m sq ft across nine units, a 66% decrease from this time last year. According to the average annual take-up, there is now just 0.41 years’ worth of supply in the region.”*<sup>35</sup>

6.112 The demand for logistics in the area is therefore significant, and the Council must ensure that an adequate supply of suitable sites for strategic distribution is identified through preparation of the Local Plan, in order to capitalise on market conditions and maintain strong levels of economic growth throughout the plan period.

6.113 **However, the EDNA downplays the need for strategic B8 logistics. The growth scenario underpinning the OAN of 63.6 ha identifies a need for just 31.6 ha of B8 logistics. However, according to Table 86 of the EDNA, between 2012/13-2019/20 South Staffordshire District saw take up of B8 logistics (including Amazon and Gestamp) averaging 3.94 ha per annum, which would mean that the proposed 31.6 ha target would last just 8 years. Over 20 years, this requirement would equate to 78.8 ha even excluding any flexibility, more than twice the amount provided for by SPRU.**

6.114 This is likely to be because the EDNA modelling is essentially founded on an Experian scenario which forecasts a net growth of -1.1 ha for B8 logistics over the 20-year Plan period in Table 69 (with the OE projection forecasting a -5.4 ha decline in B8 needs net). This does not seem sufficient given recent strategic developments in South Staffordshire.

6.115 SPRU notes in paragraph 10.18 that the District has shown strong employment growth in transport and storage sectors to 2020. If that is the case, it is difficult to understand how the net growth can be so weak in the forecasts.

### **Conflicts with the Market Intelligence**

6.116 Whilst the EDNA has helpfully modelled what it terms a ‘growth’ scenario, we consider that this does not fully reflect the strong market signals reported elsewhere in the report. Nor does it rectify the high levels of latent, pent up, demand in the District that is likely to have been as a direct result of having insufficient deliverable sites that are attractive to the market.

6.117 The Commercial Market Signals Section 6 of the EDNA provides a comprehensive and helpful overview of the strength of this part of the West Midlands from a logistics and industrial perspective. It suggests that this demand is not reflected in the current levels of take up but is expected to accelerate into the future, with the District increasingly attracting firms who have previously operated only in the Black Country.

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<sup>34</sup> Ibid

<sup>35</sup> [https://www.savills.co.uk/research\\_articles/229130/323892-0](https://www.savills.co.uk/research_articles/229130/323892-0)

6.118

Relevant points made in this section of the EDNA include:

- There has been **unprecedented growth in the e-commerce, servicing and warehousing sectors (reflective of 3-10 years' advancement in just a few months)** which has in turn fuelled growth in the industrial property market and increases in rental yields and land values. [page 73].
- Most take-up in the 'big box' sector is currently in existing buildings, as **demand is so high large retailers cannot afford to wait** for new buildings to be designed and built – the demand needs to be met straight away. More speculative building is being undertaken and buildings that would previously have had 12-18 months 'void' time built into their financial statements are now being occupied straight away [page 73].
- New sites that are currently being constructed already have **significant occupier interest despite being a way off completion**, which is reflective of the strength of the property market in this sector [page 73].
- Recent developments such as i54 and the M54/M6 link are making **South Staffordshire stand out as a more 'dynamic force' than other parts of the West Midlands region**. The WMI site was expected to deliver 8 years' supply; however due to rapid take up and high levels of demand the floorspace provided is now expected to be taken up in half that time [page 73].
- There is relatively little 'churn' in existing stock, and little new floorspace is coming onto the market, so as a result vacancy rates are currently at an all-time low [page 73]. South Staffordshire currently has a **low industrial vacancy rate of 5.1%** [Table 24].
- The strongest growth sector in South Staffordshire and the neighbouring Black Country is in the industrial property market. **South Staffordshire, and i54 in particular, is attracting and accommodating businesses who have previously operated in the Black Country** [page 74].
- Strong demand for industrial/manufacturing floorspace in units between 10,000 sq ft and 400,000 sq ft. These **larger units** also often require heights of at least 16-17m to allow for use of cranes. Where there is demand for industrial floorspace in South Staffordshire, this is primarily around the edge of Wolverhampton, with **highest levels of demand in the north** and lower levels to the south [page 74].
- There are **particular identified shortfalls in available industrial floorspace in South Staffordshire of all sizes**, ranging from smaller starter business units through to larger distribution warehouse units (500,000 sq ft +). This is a trend that is present across the wider Black Country/West Midlands region. In particular, there is a lack of medium-sized 'grow-on' units (25,000-100,000sq ft) [page 74].
- Most existing employment sites in the district are very popular and as such have limited availability. **There is very little excess supply**. Existing occupiers, such as Eurofins based at i54, are looking for additional land to expand or relocate [page 75].
- Developers of new strategic sites (such as i54 and WMI) anticipate that employees would likely come from the surrounding areas (within approximately 30 minutes' travel time), including the Black Country and South Staffordshire, as well as potentially from some areas further afield but still within commuting distance, such as Telford. The developers of WMI are required to make investments to ensure that a proportion of the

anticipated 8,500 jobs due to be created at the site are sourced locally. **The presence of strategic transport linkages within South Staffordshire (including the M6 and M54 motorways) make this area easily accessible for workers from the wider West Midlands conurbation** [page 75].

- The supply chain for manufacturing firms based in South Staffordshire extend to the local area (including the nearby Black Country and West Midlands conurbation) as well as the north west and overseas [page 75].
- **Demand for employment floorspace (particularly warehousing / distribution) is expected to continue to increase in coming years**, fuelled by habitual changes in retail expenditure and ‘onshoring’ of supply chains following Brexit and increased cost of importing from overseas. Some of this demand will be met by the development of WMI and extensions to i54 business park. The main growth area is in the warehousing / logistics sector [page 76].
- The strategic sites that are currently being brought forward (e.g. WMI / i54 expansion) are described as ‘oven-ready’ sites that are highly deliverable, can be brought forward quickly and can respond to enquiries quickly. **WMI in particular is a site of national importance for the distribution / logistics sector** which can be capitalised on [page 76].
- South Staffordshire has the potential to attract more national headquarters. As a District it has an attractive place agenda with the potential to create an ‘identity’ for itself as a **prime location for logistics / distribution operations** [page 77].
- However, a potential threat to growth relates to the **availability of suitable employment land which is in relatively short supply** and therefore the cost of land is increasing. Coupled with the increasing costs of development, this may have an impact on viability going forwards, although at present there appears to be a strong interest in developing employment sites in the South Staffordshire area [page 77].

6.119 The EDNA’s commercial evidence is compelling – industrial space across South Staffordshire District is severely under-supplied at present as demand is frustrated by limited immediate availability. Carrying on with a ‘business as usual’ approach should not be an option, yet we are concerned that SPRU’s modelling is insufficiently aspirational to address this latent demand in full.

### **The Growth Scenario is not aspirational enough**

6.120 The EDNA uses baseline data from Experian’s Regional Planning Service for November 2021, alongside comparable data for OE and CE. These take into account both Covid and Brexit, with the Experian forecast considered to provide “*the most positive yet realistic economic growth forecast for South Staffordshire in terms of providing a starting point to identify reasonable prospects for future change across a majority of sectors identified as locally significant*” [paragraph 0.36].

6.121 We question this assertion in this instance. The Experian scenario forecasts net job growth of just 3,000 between 2020 and 2040, which is 40% below the comparable CE forecast. Similarly, it forecasts growth of just +100 jobs in Land Transport, Storage and Post, which can scarcely be credible given the opportunities on offer in the logistics sector and indeed the development that has already occurred in that sector between 2020 and 2022.

6.122 Similarly, the projections are markedly lower than previous levels of growth that have been experienced in the District over the past decade or so. The EDNA itself points out in Table 32 that depending on the model used, the level of job growth has ranged from between 1.6% and 2.8% per annum (based on Compound Annual Growth Rates [CAGR]) over the period 2011 to 2020; however, even under the most optimistic future forecast, the CAGR is only +0.56% (CE) whilst OE has an anomalous looking -0.27% despite the modelling company reporting the highest level of past growth between 2011 and 2020.

Table 6.8 Historic and Future Job Growth

	2011-2020		2020-2040	
	Job Growth	CAGR	Job Growth	CAGR
CE	5,740	1.6%	+5,003	0.56%
Experian	7,000	2.1%	+3,000	0.36%
OE	9,780	2.8%	-2,304	-0.27%
<b>Experian-based Growth Scenario</b>	<b>7,000</b>	<b>2.1%</b>	<b>+4,824</b>	<b>0.57%</b>

Source: EDNA 2022, Table 32 / Lichfields' Analysis

6.123 We therefore fully agree with SPRU's decision to model a growth scenario that seeks to address some of these issues and to align with the six Key Sectors set out in the LEP's Strategic Economic Plan (2018), plus the Logistics and Transportation Sector.

6.124 However, we do not consider that the approach taken to derive this forecast is sufficiently robust, and as a consequence downplays the District's growth potential.

6.125 In particular, the Growth Scenario reduces the amount of job growth attributed to the Manufacturing sector from +1,900 in the Experian scenario, to +1,223. The Experian manufacturing growth is driven almost entirely by growth in the manufacturing of Transport Equipment (+1,800). This is clearly linked to the huge investment from JLR in recent years, which delivered 174,571 sqm at the i54 business park (paragraph 6.21) and which has continued plans for significant investment in the area which will likely lead to continued job opportunities as well as an uplift in the supply chain as firms look to locate in the area to take advantage of JLR's presence. On this basis it does not seem unreasonable to retain the +1,900 manufacturing jobs in the Growth Scenario.

Table 6.9 Jobs Growth by Broad Sector, 2020-2040

	CE	Experian	OE	Experian-based LEP Growth
Agriculture, Forestry & Fishing	+50	+500	-420	+500
Extraction & Mining	-100	0	-70	0
Manufacturing	-510	+1,900	-1,880	+1,223
Utilities	+20	0	-60	0
Construction	+240	-600	+40	+473
Wholesale & Retail	+110	+400	-270	+400
Transport & Storage	+740	+100	-270	+882
Accommodation, Food Services & Recreation	+1,500	+100	-40	+100
Information & Communication	+240	+100	+50	+294
Financial, Professional & Business Services	+1,420	+800	+760	+1,253
Public Services	+1,300	-400	-160	-300
<b>TOTAL</b>	<b>+5,010</b>	<b>+3,000</b>	<b>-2,320</b>	<b>+4,824</b>

Source: EDNA 2022, Tables 34 and 46

- 6.126 Importantly, SPRU also makes a modest adjustment to the Transport & Storage sector, uplifting the +100 figure in the Experian model to +882. We fully agree that an uplift is necessary to this sector, but we consider that the method by which it has been calculated underplays its future significance.
- 6.127 The methodology SPRU used for this calculation is summarised in pages 119-121 of the EDNA. It states that the LIS evidence base indicates strong growth in a number of specific industry sub-sectors comprising an important component of the logistics sector across the LEP area. The approach SPRU follows to calculate the uplift in logistics jobs ultimately suppresses the likely growth as follows:
- The EDNA initially compares past growth rates across five detailed sub-sectors of Logistics and Transport and records that, based on BRES data between 2009 and 2020, they collectively grew by 835 jobs, or 76 per annum, across South Staffordshire District. This is correct and works out at a very high CAGR of 8.396%.
  - SPRU then analyses the LEP-wide growth rate over this time period and applies the resultant sub-regional growth rate (which is lower than the District figure, at 5.57% CAGR), to the 2009 District figure to work out what the growth would have been, had South Staffordshire grown at a similar rate to the LEP between 2009 and 2020. This comes to 477 net jobs growth, or 43 per annum between 2009 and 2020 (based on our calculations – SPRU derives a very similar number at 44 p.a.).
  - The EDNA then multiplies the 44 p.a. figure by 20 years (+880) and adds this to the District 2020 figure for logistics (of 1,062) to come to a 2040 figure of 1,942 jobs. This net growth, of +880, is higher than the Experian figure of +100.
- 6.128 Whilst the principle of accelerating the growth of the logistics sector jobs above the Experian net figure is a sound one, we disagree with SPRU’s methodology.
- 6.129 For example, we would not apply the LEP-wide CAGR growth rate to the 2009 District figure and trend this forward. This is actually lower than the actual number of jobs that came forward in the District over that time period. Similarly, we disagree that SPRU should apply an absolute figure of 44 jobs per annum, rather than the CAGR rate to the 2020 starting point. By applying the 44 jobs on an annual basis, its impact diminishes over time as it gradually forms a smaller proportion of the overall workforce. A more appropriate and straightforward approach would be to either apply the LEP-wide CAGR or the District-wide CAGR of past growth in the sector, to the 2020 Experian job figure for Logistics and Transport as summarised in the Table below:

Table 6.10 Jobs Growth in the Logistics and Transport Sector 2009-2020/40

<b>Past Trends</b>	<b>2009</b>	<b>2020</b>	<b>+/-</b>	<b>CAGR (%)</b>
South Staffordshire District	585	1,420	<b>+835 (76 p.a.)</b>	<b>+8.396%</b>
LEP-wide	17,425	31,630	<b>+14,205 (1,291 p.a.)</b>	<b>+5.570%</b>
<b>Future Projection</b>	<b>2020</b>	<b>2040</b>	<b>+/-</b>	<b>CAGR (%)</b>
South Staffordshire District (District CAGR trend)	1,420	7,121	<b>+5,701</b>	<b>+8.396%</b>
South Staffordshire District (LEP CAGR trend)	1,420	4,198	<b>+2,778</b>	<b>+5.570%</b>

Source: EDNA 2022, Lichfields’ analysis



- 6.130 This suggests that if the rate of growth were to continue in the District as it has done over the past 9 years in South Staffordshire, then logistics employment could total as much as 7,121 - an increase of 5,701. In our view this is somewhat excessive. **A more realistic approach, using the LEP-wide CAGR, would increase employment in this sector by 2,778 to 4,198. This is more than 3-times higher than SPRU's approach.**

### **Role of the West Midlands Interchange**

- 6.131 Section 10.0 of the EDNA examines the relationship between the West Midlands Interchange [WMI] and future economic growth scenarios. It accepts that development of the SFRI proposals within South Staffordshire helps to meet needs that have arisen across a wider area (principally Birmingham and the Black Country).
- 6.132 As context to this discussion, it is important to note that the *West Midlands SFRI Employment Issues Response Paper*, produced by Stantec in February 2021, identifies a robust 'minimum share' of the SRFI site that would go some way towards meeting the Black Country needs. The report also helpfully breaks this need down by individual district, including South Staffordshire.
- 6.133 The SFRI report states that of the 297 ha consented in the DCO, around one third of the land will not be developed. Working on the basis of a smaller developable area of 193 ha, equating to 743,200 sqm of floorspace (based on a plot ratio of 37.5%), Stantec apportioned the level of need that the SFRI would fulfil across the West Midlands on the basis of a combination of projected population growth and strategic property displacement (based on the distribution of strategic warehousing at local authority level across the market area, analysing the number of units, floorspace, each local authority's share of the total and calculating how the share aggregates cumulatively across the market area). The SFRI report noted that South Staffordshire had a very small fraction of the total strategic warehousing (just 3%). Combined with the Black Country this accounted for 15% of the area's total.
- 6.134 Table 5 of the SFRI Report suggests that the Black Country's share of the overall SRFI land area is 72 ha or 37% of the total. **More specifically, it indicates that South Staffordshire's total land share of the 193 ha WMI is just 5 ha. This is essentially suggesting that only 5 ha of the WMI is going towards meeting the needs of South Staffordshire's growing population:**
- "In total this suggests that of the 193 ha of developable strategic warehousing land 72 ha could reasonably be assumed to meeting the needs of the growing Black County (and South Staffordshire) population within the service area. So, given the huge uncertainties in the data roughly 40% of the SRFI floorspace will support the economic needs for large warehousing arising from the Black Country (and South Staffordshire)." [paragraph 4.1.6]*

**Table 5 Distribution of total land share (net additional plus displacement)**

	Net additional Share ha	Displacement Share ha	Total Share ha
South Staffordshire	3	1	5
Dudley	13	0	14
Sandwell	17	2	18
Walsall	17	2	19
Wolverhampton	14	2	16
<b>Black Country market total</b>	<b>65</b>	<b>7</b>	<b>72</b>
Birmingham	45	8	53
Cannock Chase	6	4	10
Lichfield	4	4	8
Solihull	13	1	13
Bromsgrove	8	0	8
Redditch	0	1	1
Wyre Forest	5	0	5
<b>Birmingham market total</b>	<b>80</b>	<b>18</b>	<b>98</b>
Newcastle-under-Lyme	0	4	4
Stoke-on-Trent	0	7	7
East Staffordshire	0	8	8
Stafford	0	3	3
Staffordshire Moorlands	0	0	0
	<b>145</b>	<b>48</b>	<b>193</b>

Source: VOA, ONS and Stantec analysis

6.135 Initially, SPRU suggests that their analysis in the EDNA is consistent with that prepared to support the SRFI and considered locally since the DCO was consented, including the work by Stantec (2021). However, it then goes on to note that:

*“The issue for this EDNA is the extent to which these patterns of supply and take-up are reflected within existing economic forecasts and resulting labour demand scenarios”* [paragraph 10.17]

6.136 It goes on to suggest that:

*“This EDNA does not identify grounds to set out a separate scenario for South Staffordshire that identifies a requirement of land and floorspace for economic development in the district that specifically reflects estimates for total employment at the WMI site. This would not be an appropriate interpretation of the evidence base for the SRFI or its relationship to the relevant economic forecasts.*

*Instead, the Experian-based LEP Growth scenario forms a reasonable basis to identify the proportion of land within the WMI (Use Class B8) that can be attributed to requirements for economic development in South Staffordshire based on labour demand scenarios. For the period 2020-2035, corresponding with the expected 15 year build-out of the WMI site, this reflects a total of 10.0 ha”* [paragraphs 10.38-10.39].

6.137 The EDNA’s findings in this regard are summarised in Table 6.11:

Table 6.11 Net Employment land Needs (ha) – Transport and Storage Sector Only including allowance for WMI Jobs (where stated)

	2020-2035	2035-40	B8 Total (2020-2040)
CE	9.3	1.7	11.0
Experian	1.2	0	1.2
Experian + WMI	19.5	0	19.5
Experian-based LEP Growth Scenario	10.0	3.5	13.5
LEP Growth Scenario + all WMI Jobs for South Staffordshire	18.8	3.5	22.3

Source: EDNA 2022, Table 76

6.138 Whilst the figures are difficult to replicate (for example there is no clarity as to whether these include or exclude the homeworking adjustment), SPRU’s argument is that the adjustments within the Growth Scenario capture the same sub-regional indicators of demand that the WMI proposals will seek to satisfy as a result of the development of new distribution floorspace.

*“This Experian-based LEP Growth forecast shows an increase in employment of around 880 jobs in the Transport & Storage sector from 2020 to 2040. Around 660 of these jobs would be created in the period 2020-2035, corresponding with the WMI build-out period, assuming a linear delivery of the Growth forecast. If taken up by South Staffordshire residents this is equivalent to around 42% of the total forecast for job creation at WMI expected to be taken up locally (c.1,560 jobs).*

*The forecasts therefore indicate that there is no quantitative basis to provide for an additional pipeline of land for storage and distribution in South Staffordshire beyond the pipeline of supply at WMI that can be attributed to forecast labour demand in the district. This is on the basis that the development of the SRFI at WMI is consistent with the justification for identification of the growth scenario for the Transport & Storage sector.”* [paragraphs 10.41 and 10.42]

6.139 There are numerous points of contention with this approach. The first is the overall principle behind the calculation. Revisiting the contribution of the WMI to meeting South Staffordshire’s needs in isolation, contravenes why Stantec’s SFRI report was produced in the first place.

6.140 Section 2.0 of the SFRI Report sets out that in recent years Councils have struggled to plan positively for strategic development because there is no parallel strategic evidence base. It notes that the main method used by most Councils to assess their economic needs is informed by an assessment of job forecasts translated into floorspace and ultimately land (labour demand). Council assessments are also often informed by an assessment of past trends and on occasion labour supply. Each Authority is able to determine which approach is most appropriate in regard to their local circumstances. So, two adjacent Councils could be estimating their ‘need’ using different method that are not directly comparable:

*“To further complicate matters traditional methods have limitations. The **strategic warehousing sector is reasonably new and not well captured by a past trend approach**. Take-up can be ‘lumpy’ with entire land allocations being developed in a single year, sometimes for a single unit, and then no take-up for many years.*

***Approaches to estimate need using economic forecasts (or labour supply) are also complicated because the link between jobs and floorspace is weak.*** Any statistical link, based on large surveys for example, is much more volatile for the warehousing sector given the limited number of strategic scale units and very different working practices between operators. At one extreme a warehouse could simply store products for extended periods of time – with no on-site employment. Whereas another may operate a large ‘manual pick’ warehouse unit employing thousands in a near identical unit. In other sectors, offices for example, different business practices are much more likely to average out as part of any assessment.

*These are accepted limitations and those undertaking economic assessments are generally well versed in managing these and developing local specific evidence bases. **But for this work we need to establish how the SRFI can be consistently and fairly assessed alongside local evidence through a much larger area accounting for the various different local approaches.***” [SFRI Report, paragraphs 2.13-2.15]

- 6.141 However, SPRU’s approach uses econometric modelling to explicitly define South Staffordshire’s share of the WMI land in isolation with no consideration of other areas, which is against what Stantec suggests should be followed.
- 6.142 Moving on, the manner in which the 18.8 ha contribution that the WMI can apparently make to South Staffordshire’s requirement is calculated is opaque and difficult to replicate:
- It is unclear how the data in Table 76 (reproduced in Table 6.11 above) has been calculated and whether it includes an allowance for homeworking.
  - The EDNA suggests that is based on a total of 1,560 jobs which are expected to be taken up by South Staffordshire District residents<sup>36</sup>, of which 80% are attributed to the Transport & Storage sector (c.1,245 jobs). It is unclear which data source justifies the 80% figure.
  - The figure of 18.8 ha apparently captures the assumptions for job creation anticipated to be taken up by South Staffordshire residents. “*The 18.8ha total is a measure of the ‘supply side’ of this policy and it is appropriate that the Council’s ‘share’ includes within its provision expected jobs growth in a consented scheme*” [paragraph 10.77 ha].
  - This is based on the aforementioned 1,245 jobs, which appears to be derived from calculations by Quod in its ‘West Midlands Interchange Labour market context’ report that was written in support of the employment, skills and training plan (February 2019). Quod calculated that the mixture of rail-served and non-rail served warehousing at WMI (up to 743,200 sqm) will employ an estimated 8,550 people when it is fully operational, based on an employment density of 87 sqm. They break this down by potential WMI workers for each district in the TTWA and suggest the estimated number of employees drawn to WMI from South Staffordshire would total 1,556.
  - SPRU states that take up of this level of employment in the sector by South Staffordshire residents would be equivalent to 18.8 ha of B8 land use at the WMI site. However, 1,245 jobs at an employment density of 80 sqm and a plot ratio of 40% (see page 171 of the EDNA) would equate to 24.9 ha. Even if 10% of the jobs are netted off to translate the

<sup>36</sup> Appendix 1 (Labour Market Context Report) to Appendix 3 of Applicant's Post Hearing Submissions (ISH1) (ref: Document 9.1) submitted in response to The West Midlands Rail Freight Interchange Order Examination (ref: TR050005)

figure to FTEs (Table 66 of the EDNA), the resultant figure is still 22.4 ha. The figure appears incorrect even if an adjustment is made for the very modest levels of homeworking in the sector (estimated by SPRU to increase to 2.9% in transport and storage by 2040). Furthermore, as noted above, the Quod calculation that apparently underpins SPRU's initial job target is based on a lower employment density of 87 sqm, not 80 sqm.

- The same comment applies to the LEP Growth Scenario + all WMI jobs for South Staffordshire, which suggests that the extra 585 jobs above the Growth Scenario (1,245-660) equates to an extra 8.8 ha of land. However, this should be 11.7 ha (or 10.53 ha if the jobs are translated to FTEs) based on an employment density of 80 sqm (and a plot ratio of 40%).
- Furthermore, SPRU is assuming that all of the net additional jobs in the Growth Scenario above the baseline in the first 15 years (estimated at 660) capture the same sub-regional indicators of demand that the WMI proposals will seek to satisfy as a result of the development of new distribution floorspace. But this assumes that the very modest uplift of 44 jobs per annum in the Growth Scenario (discussed in detail below), is actually sufficient to meet sub-regional demand, whereas in actual fact it is an arbitrary adjustment that underplays the true level of likely growth if past trends are a reliable basis for projecting future strategic B8 needs (which Stantec suggest is not necessarily the case).
- As set out in greater detail below in the discussion on a reasonable LEP Growth Scenario, if the LEP's annual percentage growth rate for Transport & Storage (5.57% p.a.) were actually applied to the 2020 South Staffordshire figure, the increase would not be 660 over 15 years, but a more realistic 1,782 (rising to 2,778 over 20 years). This would exceed the entire job creation at WMI expected to be taken up locally (1,560 jobs) and, following SPRU's logic, would therefore provide a quantitative justification to provide an additional pipeline of land for storage and distribution in South Staffordshire beyond the pipeline of supply at WMI than can be attributed to the forecast labour demand in the District.

6.143 The obvious conclusion here is that if just one logical tweak is made to SPRU's assumptions by, say, applying a percentage annual growth rate rather than arbitrarily applying a fixed number of jobs, then the EDNA's justification for no additional strategic allocations falls away.

6.144 **Our view is that the EDNA's conclusion that 18.8ha of WMI would contribute towards the District's supply of employment land to meet the projected demand is unnecessary, given that the subject has already been analysed in depth on a consistent basis across the wider region<sup>37</sup>. This found that the contribution the WMI made to South Staffordshire's future logistics needs was 5 ha.**

<sup>37</sup> Stantec (February 2021): West Midlands Strategic Rail Freight Interchange Employment Issues Response Paper – Whose need will the SRFI serve?



## **Conflating Growth with Meeting Strategic Needs**

- 6.145 The EDNA applies a number of complex and counter-intuitive methodological adjustments to justify both the relationship of the WMI to Land Requirements for the Transport & Storage sector, and secondly to measure the supply / demand balance on Strategic sites.
- 6.146 Taking the former adjustment first, the EDNA states that the Experian-based LEP Growth scenario forms a reasonable basis to identify the proportion of land within the WMI that can be attributed to requirements for economic development in South Staffordshire based on labour demand scenarios. We have already set out above that the EDNA is not transparent as to how the 18.8 ha has been calculated based on the likely jobs (1,560 / 1,245) and standard employment densities / plot ratios, which do not appear to tally.
- 6.147 Setting this to one side, we question whether the adjustments within the Growth Scenario really capture the same sub-regional indicators of demand that the WMI proposals will seek to satisfy as a result of the development of new distribution floorspace as the EDNA suggests, or whether the upwards adjustment (from an implausible Experian baseline of +100, or 5 jobs a year) to the Transport & Storage sector just reflects more realistic growth that is likely to comprise a sizeable portion of indigenous need.
- 6.148 The EDNA justifies its approach as follows:
- “This Experian-based LEP Growth forecast shows an increase in employment of around 880 jobs in the Transport & Storage sector from 2020 to 2040. Around 660 of these jobs would be created in the period 2020-2035, corresponding with the WMI build-out period, assuming a linear delivery of the Growth forecast. If taken up by South Staffordshire residents this is equivalent to around 42% of the total forecast for job creation at WMI expected to be taken up locally (c.1,560 jobs).*
- The forecasts therefore indicate that there is no quantitative basis to provide for an additional pipeline of land for storage and distribution in South Staffordshire beyond the pipeline of supply at WMI that can be attributed to forecast labour demand in the district. This is on the basis that the development of the SRFI at WMI is consistent with the justification for identification of the growth scenario for the Transport & Storage sector”* [paragraphs 10.41-10.42]
- 6.149 As discussed in depth above, this is founded entirely on the assumption that a LEP-based growth trajectory equates to just 44 jobs per annum (44 x 20 years = 880), but as we have shown this level of growth is well below the level that South Staffordshire District experienced between 2009-2020, and in any case the CAGR percentage rate should more properly be applied in this instance as opposed to an essentially arbitrary absolute figure derived from mixing and matching assumptions.
- 6.150 If the LEP CAGR growth trend of 5.57% is applied from 2020 onwards to South Staffordshire’s Transport & Storage sector, then the net job growth would be a more reasonable 2,778 over 20 years, rather than 880. Around 2,083 of these jobs would be created in the first 15 years of the forecast<sup>38</sup>, which is around a third higher than the 1,560

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<sup>38</sup> Note: The EDNA assumes that the WMI will be built out between 2020 and 2035, i.e. 15 years, hence the calculation. However, page 73 of the EDNA quotes stakeholders saying: “The WMI site was expected to deliver 8 years’ supply, however due to rapid take-up and high levels of demand the floorspace provided is now expected to be taken up in half that time (subject to delivery of the rail freight interchange)” [page 73].

jobs attributable to South Staffordshire residents working at WMI, not 58% lower as in SPRU’s forecast.

6.151 Therefore, contrary to SPRU’s approach, this would clearly indicate that there is a quantitative basis to provide an additional pipeline of land for storage and distribution in South Staffordshire beyond the WMI pipeline.

6.152 Moving on, Section 12 of the EDNA attempts to calculate what proportion of the objectively assessed need for employment land could be provided for across a combination of strategic and non-strategic sites and uses this calculation to identify a ‘surplus’ that could contribute towards meeting the needs of neighbouring authorities.

6.153 The calculation is founded on a number of questionable points that undermine its robustness.

6.154 It begins by separating out the past take-up (‘Completions Trend’) scenario into a breakdown by delivery of strategic (i54 and Four Ashes) and non-strategic sites, as shown below:

Table 6.12 Breakdown of Completions Trend Scenarios by Strategic and Non-Strategic sites based on 2012/13-2019/20 Past Completions Trends

	B1a/b	B1c/2	B8	Total	% Split Office / Industrial
Completions Trend Scenario – Non-Strategic Sites (i)	2.4	1.2	15.3	<b>18.9</b>	<b>12.7%/87.3%</b>
Completions Trend Scenario –Strategic Sites (ii)	8.2	36.4	0.2	<b>44.8</b>	<b>18.3%/81.7%</b>
<b>Delivery on Non-Strategic Sites (i/i+ii)</b>	<b>23%</b>	<b>3%</b>	<b>99%</b>	<b>30%</b>	-
<b>Delivery on Strategic Sites (ii/i+ii)</b>	<b>77%</b>	<b>97%</b>	<b>1%</b>	<b>70%</b>	-
Completions Trend Scenario –Strategic Sites + JLR + Amazon / Gestamp (iii)	15.5	146.7	78.8	<b>241.1</b>	<b>6.4%/93.5%</b>
<b>Delivery on Non-Strategic Sites (i/i+iii)</b>	<b>13%</b>	<b>1%</b>	<b>16%</b>	<b>7%</b>	-
<b>Delivery on Strategic Sites+ JLR + Amazon / Gestamp (iii/i+iii)</b>	<b>87%</b>	<b>99%</b>	<b>84%</b>	<b>93%</b>	-

Source: EDNA 2022 tables 86 and 87 / Lichfields’ analysis

6.155 The Table indicates that almost all of the strategic B8 delivery has been at Amazon and Gestamp in recent years – just 1% has been delivered on other strategic sites.

6.156 This is important, because SPRU uses this analysis to provide “*an initial basis to identify the contribution that any ‘surplus’ in land and floorspace might be considered to constitute a contribution towards meeting the unmet needs of neighbouring authorities*” [paragraph 12.15].

6.157 If we have interpreted this correctly, SPRU appears to be suggesting that by examining what proportion of past completions was considered to meet a strategic need in the past, this can be applied directly to the 63.6 ha of objectively assessed need to work out the amount of South Staffordshire’s future employment land requirement is likely to go towards meeting wider strategic needs across the FEMA.

6.158 Again, we consider this to be flawed:

- 1 Firstly, it assumes that the take up of strategic sites represents ‘demand’. This may not be the case – if the supply of sites was limited in the past, which is indeed likely given

that South Staffordshire District is a constrained Green Belt authority, then there may be considerable levels of latent demand that have gone unmet in the past: *“Most take-up in the ‘big box’ sector is currently in existing buildings, as demand is so high large retailers can’t afford to wait for new buildings to be designed and built – the demand needs to be met straight away”* [EDNA, page 73]

- 2 Similarly, the reliance on past completions data from 2012/13-2019/20 is almost entirely pre-pandemic and fails to factor in most of the exponential growth in demand for e-commerce that has radically shifted the demand for ‘big box’ logistics. It is likely that strategic needs will therefore be significantly in excess of past trends: *“Since the start of the COVID-19 pandemic there has reportedly been unprecedented growth in the e-commerce, servicing and warehousing sectors (reflective of 3-10 years’ advancement in just a few months)”* [EDNA page 73];
- 3 SPRU’s approach assumes that the Experian-led econometric Growth Forecast factors in all of the strategic need, when we have shown that this simply is not the case – the very modest addition of 44 jobs per annum to uplift the Transport & Storage sector growth is inadequate to meet likely future growth needs and should be significantly in excess of that figure.
- 4 SPRU deducts 10 ha from the 63.6 ha OAN, which comprises the WMI contribution (with the 10 ha equal to the net B8 land use for Transport & Storage sector in the Growth Scenario 2020-2035, which SPRU considers to be met entirely by the 18.8 ha WMI District-level contribution, with a surplus of 8.8 ha left over) leaving **53.6 ha**. We disagree that 100% of South Staffordshire’s logistics needs can be met on a single site for the next 15 years, particularly if (as suggested by stakeholders in the EDNA) it is actually likely to be built out in the next four years<sup>39</sup>.
- 5 SPRU then takes the 53.6 ha of need remaining and splits it on the basis of the Past Trends Completions scenario by strategic and non-strategic sites in Table 87 (and replicated in Table 6.12 above). So, for example, SPRU takes the 25.3 ha need identified for industrial uses under the Growth Scenario and assumes that as 69% of the delivery was on strategic sites in the past, then 69% of the 25.3 ha need should be on similar sites in the future, to come to a figure of 17.5 ha. This is questionable for the reasons above, but clearly does not work when it comes to B8 logistics. As shown in Table 6.12 above, just 1% of B8 delivery came forward on strategic sites excluding Amazon and Gestamp, and this is the figure that has been combined with the much higher manufacturing figure to come to a 69:31 split for strategic/non strategic sites. If the truly strategic sites had been included, then instead of a 69:31 split for strategic/non strategic split as per Table 87 of the EDNA, it would actually have been 93:7. As can be seen in Table 6.13 below, such an approach would increase the B2 strategic sites figure from 17.5 ha to 23.6 ha, whilst the B8 logistics figure would increase from 14.9 ha to 20.1 ha.

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<sup>39</sup> EDMA (20220: *“The WMI site was expected to deliver 8 years’ supply, however due to rapid take-up and high levels of demand the floorspace provided is now expected to be taken up in half that time (subject to delivery of the rail freight interchange).”* [page 73])

Table 6.13 Apportionment of LEP-Based Growth Scenario by Strategic and Non-Strategic Sites

		B1a/b	B1c/2	B8	Total
<b>SPRU approach excluding JLR + Amazon / Gestamp</b>	<b>Total OAN (Excluding WMI)</b>	<b>6.7</b>	<b>25.3</b>	<b>21.6</b>	<b>53.6</b>
	...of which Delivery upon Strategic Sites	5.2 (77%)	17.5 (69%)	14.9 (69%)	<b>37.5</b>
	...of which Delivery upon Non Strategic Sites	1.5 (23%)	7.9 (31%)	6.7 (31%)	<b>16.1</b>
<b>Lichfields approach including JLR + Amazon / Gestamp</b>	<b>Total OAN (Excluding WMI)</b>	<b>6.7</b>	<b>25.3</b>	<b>21.6</b>	<b>53.6</b>
	...of which Delivery upon Strategic Sites +	5.8 (87%)	23.6 (93%)	20.1 (93%)	<b>49.5</b>
	...of which Delivery upon Non Strategic Sites +	0.9 (13%)	1.7 (7%)	1.5 (7%)	<b>4.1</b>

Source: EDNA 2022, Lichfields' analysis

6 This is important, because the underplaying of strategic B8 needs (and the assumption that past delivery is a close-fit for future needs of strategic sites) flows through into the rest of the calculations in Section 12 of the EDNA, including the 'equivalence ratio for past trends'. By deducting the LEP Growth Scenario's strategic requirement from the total pipeline supply that SPRU attributes to strategic sites (87 ha of the 99 ha total forward supply), and following a further 14.1 ha adjustment for the 'equivalence ratio', the EDNA concludes that 35.4 ha of the strategic site supply can go towards addressing unmet need across the wider FEMA ( $87.0 - 14.1 - 37.5 = 35.4$  ha). A further 1.2 ha relating to office floorspace is also considered to relate to strategic needs above and beyond South Staffordshire District's own needs, bringing the total of unmet needs provided in the District to **36.6 ha**.

6.159 To conclude, we consider that the EDNA's 36.6 ha unmet need contribution from the current supply is unfounded. The calculation is based on past trends completions that do not include 'true' strategic take up from JLR, Amazon and Gestamp, and bakes in strategic needs of just 0.2 ha of B8 logistics (see Table 86). Mixing and matching the various scenarios, combining the CE/Experian/Growth Scenarios and factoring in the past take up as well ensures that SPRU is not comparing like with like and in all probability results in a considerable amount of double counting.

6.160 Perhaps most fundamentally of all, it does not actually seek to model the strategic employment land needs of the FEMA as a whole and then attempt to justify South Staffordshire's contribution (factoring in the physical ability of the other districts to accommodate the remainder of that need). That should be the remit of a wider strategic study, a point which is referenced in the emerging SSDP: "*This strategic issue is now being progressed via a proposed follow-on study with LPAs over the study area leading the work. This will allow the need issue to be explored in more detail and examine how evidenced need for strategic employment sites interacts with need identified through individual LPAs' EDNAs, and should provide a clearer picture of the need for strategic employment land across the region*" [paragraph 5.63].

## Unmet Needs across the FEMA

6.161 The first 9 Chapters of the EDNA undertake an assessment of employment land requirements for South Staffordshire over the Plan period 2020 to 2040. Based on the

Growth Scenario econometric forecast, this generates a need for 55.1 ha of office, industrial and warehousing land over the next twenty years. Whilst we disagree with certain elements of the calculation as set out above, there is at least a logical process as to how this has been defined in common with many other EDNAs undertaken across the country.

- 6.162 However, Sections 10, 11 and 12 of the report departs from this approach and undertakes a non-PPG compliant assessment of (firstly) the proportion of the WMI which could be considered to be meeting South Staffordshire’s employment land needs and (secondly) what proportion may be considered as contributing towards the unmet needs of neighbouring authorities.
- 6.163 The EDNA concludes that **36.6 ha** comprises a reasonable minimum indicator of supply that is not attributed to findings of the Growth Scenario or trends in past take-up (discounting the role of significant atypical schemes such as the investment by JLR), that can theoretically contribute to meeting the unmet needs of neighbouring authorities, excluding the WMI.
- 6.164 The EDNA concludes that there are qualitative and quantitative grounds to consider that there is a broad balance between supply and demand that can be achieved going forwards without requiring the allocation of further strategic or non-strategic sites.
- 6.165 This is taken forward by SSDC in its emerging Local Plan:  
*“The EDNA undertook further analysis by examining the supply/demand balance for the district, in order to inform the amount of employment land that would need to be allocated through the Local Plan. It considered the supply of employment land at the base date of April 2020 (99ha) and explored how this would likely be split between strategic and non-strategic employment land supply. Following consideration of the supply/demand balance specifically for strategic sites, it was concluded what proportion of the surplus strategic employment land could be attributed to sub regional supply and what proportion could be considered towards South Staffordshire’s supply, informed by the labour demand forecasts. It concluded that in terms of strategic employment land, 36 ha (excluding WMI) could reasonably be attributed to cross boundary unmet needs, whilst the supply-demand balancing exercise that could be attributed to South Staffordshire, taking on board both strategic and non-strategic employment land, concluded that there was a small surplus expected to be around 1.5 ha. Overall, the district can meet its own employment land needs, together with making a proportionate contribution to unmet needs in the Black Country.” [paragraph 5.58]*
- 6.166 We disagree with the mechanics of the EDNA’s complex calculations. We do not consider that based on this evidence, SSDC is making a proportionate contribution to the unmet needs in the Black Country and beyond.
- 6.167 **On basic principles, the EDNA cannot conclude that it is making a reasonable contribution to unmet needs of neighbouring authorities, when it has not defined the scale of unmet strategic need in the first place.**



- 6.168 The PPG recognises that the logistics industry has distinct locational requirements that need to be considered in formulating planning policies (separately from those relating to general industrial land):
- “Where a need for such facilities may exist, strategic policy-making authorities should collaborate with other authorities, infrastructure providers and other interests to identify the scale of need across the relevant market areas”* [PPG ID: 2a-031].
- 6.169 The PPG<sup>40</sup> indicates that this assessment can be informed by engagement with logistics occupiers, analysis of market signals and economic forecasts; engagement with LEPs and their plans and strategies, including economic priorities within Local Industrial Strategies. Whilst it is noted that the 2022 EDNA has considered the need for logistics uses separately from other B-uses within its assessment of need, this essentially assessed the needs arising within South Staffordshire. However, there is an inherent limitation to this approach, since functioning property markets (and the business needs arising from this) typically operate beyond local authority boundaries. Accordingly, the PPG identifies that:
- “Functional economic market areas can overlap several administrative areas so strategic policy-making authorities may have to carry out assessments of need on a cross-boundary basis with neighbouring authorities within their functional economic market area”* [PPG ID: 2a-025].
- 6.170 The PPG is clear that only once this evidence has been compiled, *“strategic policy-making authorities will then need to consider the most appropriate locations for meeting these identified needs (whether through the expansion of existing sites or development of new ones)”*<sup>41</sup>. Based on our review of the 2022 EDNA and the Councils’ wider evidence base, we see no evidence that such an assessment has been undertaken, either to establish the extent of the appropriate logistics market area; the scale of its needs; nor the most appropriate locations for meeting these needs.
- 6.171 This would be the remit of a strategic sub-regional document(s) that has analysed the ‘bigger than local’ strategic logistics needs, and South Staffordshire’s role within that. A subsequent task would involve making an appropriate assessment of the various Districts within SSDC’s FEMA and make judgements as to the extent of deliverable supply that each area could reasonably be expected to take. This is important, given that there are areas that will be physically unable to take their ‘fair share’ either for reasons of environmental constraints or because they are under-bounded. The exact extent of each district’s contribution to making up the scale of unmet need would then (ideally) be agreed under the Duty to Co-operate or a Memorandum of Understanding that would feed through into the employment land policies of each Council’s Local Plan.
- 6.172 Instead, the EDNA comes at the problem from an entirely different angle, by essentially trying to ‘second guess’ what a fair share of its supply is actually going towards meeting the Black Country’s needs. This involves examining past take up of strategic sites, assuming that this will continue at a similar level and applying this to the Growth Scenario to reflect the ‘larger-than-local’ reasons for identifying labour demand in the District. This is then compared with the current portfolio of strategic supply in the pipeline. However, the EDNA

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<sup>40</sup> PPG ID: 3-007

<sup>41</sup> PPG ID: 2a-031

is clearly misguided to argue that 36.6 ha is a ‘reasonable share’ of unmet need, if that overall need has not been quantified at the outset.

- 6.173 It marks a departure from the approach undertaken in the previous South Staffordshire EDNA, undertaken by WECD in August 2018. This EDNA (Part 1) identified a demand for 86 ha to 2037/38, against a supply of 105 ha, which resulted in a potential over supply of 19 ha.
- 6.174 *Within this wider sub-regional context, the oversupply in South Staffordshire could contribute towards meeting the future employment land requirements of the South Staffordshire FEMA, in particular some of the Black Country gap given the existing strong policy links as stated in the respective adopted Core Strategies (but also taking into account that Sandwell is not part of the South Staffordshire FEMA). These arrangements will need to be agreed through a SoCG. WECD have been asked to undertake a stage 2 EDNA that will assess new employment site options on a consistent basis. **Dependent on the outcomes of this stage 2 EDNA study, and in the context of these wider needs, it may be appropriate to consider allocating additional new employment land should it be confirmed that the Black Country cannot meet their own needs (again, to be agreed through a SoCG)*** [paragraphs 8.14 and 8.15].
- 6.175 In this regard, there is ample evidence to suggest that the scale of unmet need across the neighbouring authorities is very significant indeed.
- 6.176 Paragraph 3.37 of the EDNA concludes that the FEMA for South Staffordshire comprises South Staffordshire, Wolverhampton, Dudley, Walsall, Cannock Chase and Stafford. In this regard, each of the constituent authorities is currently preparing their respective Local Plans and associated evidence. In terms of meeting the needs of the FEMA, we have significant concerns regarding the fragmented approach currently being progressed, as each of the authorities is generally seeking to address their own needs in relative isolation. Fundamentally, this approach does not align with the NPPF [paragraph 35c] and runs the risk of not meeting the FEMAs employment needs and comprising economic growth across the area, which is what is essentially occurring with the South Staffordshire EDNA.
- 6.177 Furthermore, the scale and opportunities of the logistics market means that logistics needs extend across an even wider area beyond South Staffordshire’s immediate FEMA.

### **Birmingham’s Unmet Needs**

- 6.178 For example, the recent Birmingham HEDNA (April 2022) concluded that the City’s FEMA consists of the Greater Birmingham and Solihull LEP (Birmingham, Bromsgrove, Cannock Chase, East Staffs, Lichfield, Redditch, Solihull, Tamworth and Wyre Forest) and Black Country LEP (Dudley, Sandwell, Walsall and Wolverhampton) as well as North Warwickshire and Stratford-on-Avon. *“There is also a case to be made for South Staffordshire to be included in this definition due to its close links to the Black Country”* [paragraph 2.6].

- 6.179 **The HEDNA has directly informed the emerging Birmingham Local Plan’s Issues and Options document, which reports that the need figure for Birmingham is 295.6 ha, set against a supply of 221.96 – hence an unmet need for 73.64 ha to be found through the preparation of the Plan:**

*“The City Council will continue to investigate and identify further sources of land supply to address this shortfall. For example, a review of the existing Core Employment Areas has been undertaken as part of the HEDNA and this has identified some potential opportunities for future industrial development. The City Council has also identified further development opportunities through the urban capacity work that as yet has had no confirmation from landowners about the potential for development. Discussions will also continue with authorities in the wider HMA to determine whether any employment land proposed in their forthcoming plans can meet any of the need arising from Birmingham. In particular, evidence prepared for the Black Country Plan has identified 53 hectares of potential development land at the West Midlands Strategic Rail Freight Interchange in South Staffordshire that can cater for a share of Birmingham’s B8 warehousing needs.” [paragraph 7.8]*

- 6.180 South Staffordshire potentially has a role to play in contributing towards meeting this need if it is included in the wider Birmingham FEMA. We consider that the net unmet need could be even greater than the 73.64 ha referred to above. Icení’s modelling in the Birmingham HEDNA makes an adjustment for a margin of choice on top of the baseline take up requirement of 983,400 sqm / 197 ha. It states that this should comprise 5 years of gross completions for industrial / distribution and 2 years for office, which we would not disagree with.

- 6.181 However, they have only modelled 2 years for industrial / distribution and c.2.5 years of office. This means that Icení has only added on a 19.7 ha margin for industrial/distribution and 2.4 ha for offices, when the correct figures should have been 49.25 ha and 4.73 respectively – the figures are 31.88 ha too low.

- 6.182 **The correct overall need figure for industrial / warehousing land in Birmingham City should be 319.73 ha over the 22-year Plan period. Set against the BLP’s emerging supply of 221.96 ha, this would indicate an unmet need for 97.77 ha which would have to be found elsewhere. South Staffordshire District may have a part to play in addressing this need over and above the WMI contribution.**

### **The Black Country’s Unmet Needs**

- 6.183 A large unmet need for employment land is identified in the draft Black Country Plan 2018-39 (August 2021). This Plan has now been abandoned, at least in part, due to Dudley Council’s decision to pull out; however, the unmet need of 210 ha (or 37% of its gross need) that the authorities were proising to export elsewhere in the HMA has not gone away.

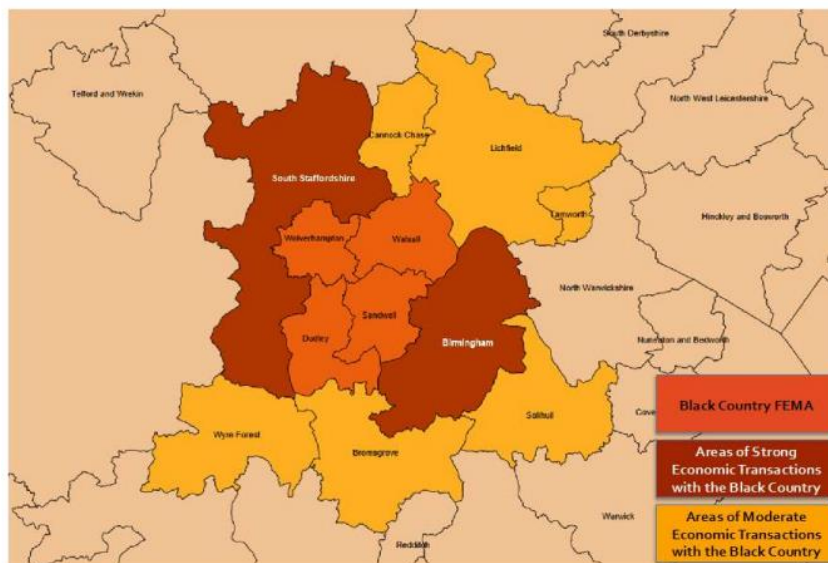
- 6.184 The analysis of unmet need across this area was examined in the Black Country Economic Development Needs Assessment [BCEDNA], initially published in 2017 and subsequently updated in 2021<sup>42</sup>.

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<sup>42</sup> Warwick Economics & Development for Black Country Authorities, Black Country Economic Development Needs Assessment, Stage 1 Report, May 2017, and Update, August 2021

- 6.185 As noted in the 2017 EDNA 1, the Black Country represents a clearly defined geographical unit, with strong employment and labour market links to parts of the hinterland, in particular, Birmingham and South Staffordshire (Figure 6.1). This would suggest a FEMA comprising of the Black Country Authorities, based on well-established socio-economic, market and administrative relationships, and a wider 'area of strong economic relationships' that consists of an area of strong economic interactions with Birmingham and South Staffordshire, and economic interactions of lesser strength with other areas on the edge of the Black Country. South Staffordshire District is identified in Figure 6.1 as an area of strong economic transactions with the Black Country:

Figure 6.1: Black Country FEMA



Source: Warwick Economics & Development for Black Country Authorities (May 2017): Black Country Economic Development Needs Assessment, Stage 1 Report

- 6.186 The 2021 BCEDNA Update stated that it would be both realistic and ambitious for the Black Country Plan to seek to provide for a land requirement based on a minimum of the high past trends' scenario (502 ha) and up to the medium GVA-based scenario (522 ha) over the period to 2039. This range would equate to 26.4-27.5 ha per annum. Of this requirement, the Plan should seek to provide for around 30% of B8 activity and 70% E(g)(ii)/(iii)/B2.
- 6.187 In terms of how this need aligns with the current supply, the BCEDNA Update calculates that at present the total amount of land that has been allocated in the Regulation 18 Black Country Plan to meet future demand for employment land uses within the Black Country to the end of the planning period (i.e. 31 March 2039) is 353 ha, and therefore an undersupply of employment land of 149-169 ha. To this should be added the potential loss of employment land over the next planning period, which is calculated at 62.7 ha. This brings the total demand up to 565-585 ha against a supply of 353 ha, resulting in an **undersupply of between 212 and 232 ha of employment land** over the next planning period.
- 6.188 The 2021 BCEDNA indicates that all of the 212-232 ha of employment land need to be exported is industrial (manufacturing and logistics). It also reports that 121-134 ha of that need may already be met, as shown in Table 6.14:

Table 6.14 Contributions to Black Country Unmet Need

Outside the Black Country / External Contributors	Estimated Supply
South Staffordshire Surplus (as per EDNA)	19 ha
West Midlands Interchange apportionment	72-94 ha
Shropshire (Regulation 19 Plan)	30 ha
TOTAL	121-134 ha

Source: Black Country Economic Development Needs Assessment (EDNA) Update, August 2021, Figure 4.2

6.189 This makes provision for 19 ha of South Staffordshire’s surplus as identified in the aforementioned 2018 EDNA Part 1, as well as between 72 and 94 ha from the WMI (although this may be an error, given that the 72 ha referred to in the Table comes from Stantec’s West Midlands Strategic Rail Freight Interchange report (2021), which includes 5 ha from South Staffordshire in the 72 ha figure – hence the Black Country contribution is actually 67 ha).

6.190 **This means that even if these contributions are taken into account, there is still the potential for between 78 ha and 111 ha of unmet need that must be found elsewhere in the FEMA. Furthermore, none of the potential contributions in the table are part of an adopted plan yet.**

#### **Unmet Needs across the wider West Midlands region**

6.191 A number of studies in recent years have attempted to analyse the pressures that the West Midlands region is coming under relating to the need for new strategic logistics sites in the face of unprecedented demand. The most recent of these studies, the Avison Young /Arcadis *West Midlands Strategic Employment Sites Study – Final Report* [WMSESS 2021], was published in May 2021. This analysed take-up rates in the industrial and office markets in the region over the period 2015-2018 and undertook an audit of existing allocated and committed sites in the Study Area.

6.192 The Study does not seek to quantify future needs, but it has undertaken a high-level assessment as to the extent to which certain locations / sites might be able to contribute to identified shortfalls in supply. As such, it provides a first step contribution to the evidence base that will inform future Local Plan reviews across the sub region, including in South Staffordshire District.

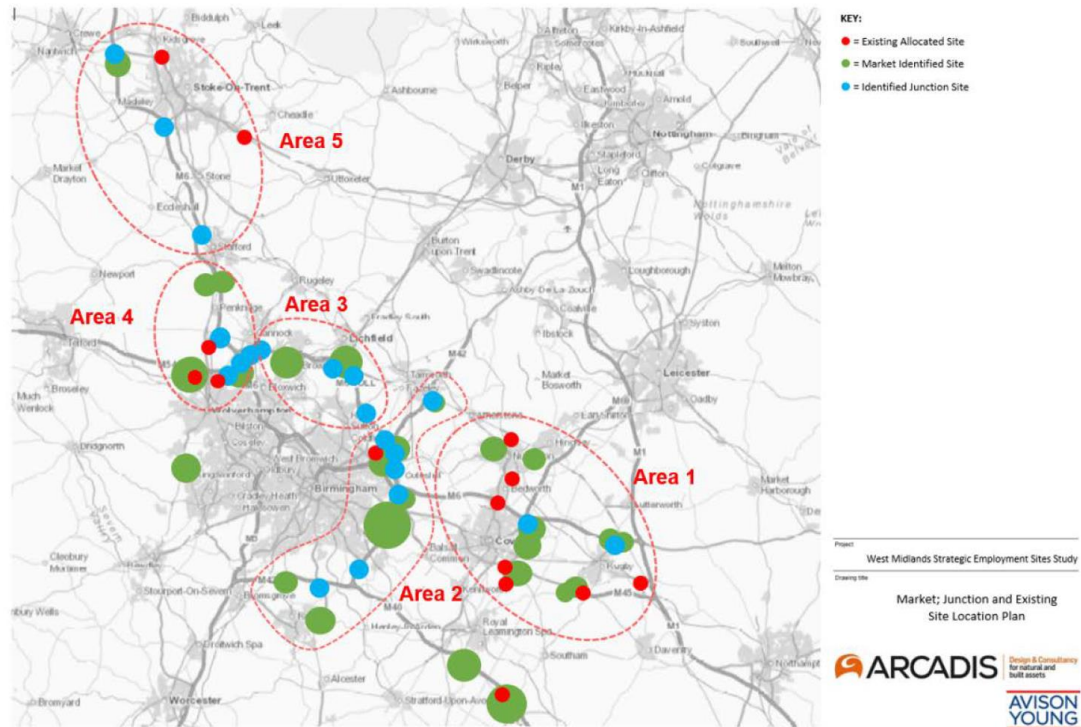
6.193 Based on Avison Young’s [AY’s] analysis of the quantum of supply, market intelligence around areas witnessing considerable demand, and those areas achieving highest land prices, the prime market facing locations for Strategic Employment Sites are reported to be to the east of Birmingham in an area from J2 of the M42 in the south, north to J10 of the M42, south-west to J14 of the M40 and east to J1 of the M6.

6.194 The report identifies five key clusters of sites and considers that the focus for identifying strategic employment sites should be in the ‘Key Locations’ shown below.



6.195 The Land at Gailey Lea Farm site is located in Area 4 in Figure 6.2:

Figure 6.2: Junction and Existing Site Location Plan



Source: Avison Young /Arcadis (May 2021): West Midlands Strategic Employment Sites Study – Final Report

- 6.196 The Study found that the strategic supply of allocated and committed sites comprised of only 12 sites with a remaining capacity of 25+ ha, plus the WMI at M6 J12 with a potential capacity of circa 2.96 million sqm. Given uncertainties regarding the length of time that some of the sites have been allocated without coming forward, and the capacity of the sites is gross rather than net, the estimated capacity should for the purpose of this Study be treated as a maximum.
- 6.197 The WMSESS reports that there has been an average take up of new, Grade A floorspace in the West Midlands area of approximately 0.4 million sqm p.a. over the period 2015-2018 inclusive. Based on evidence of past trends in relation to take-up, and assuming that no additional strategic employment sites are brought forward to replace those that remain, the resultant supply of allocated and committed employment land would appear to represent a maximum of **7.41 years supply**. For the Black Country and South Staffordshire ‘key location’, this increases to 8.17 years.
- 6.198 The report concludes that on the basis of the ‘past trends’ approach, there is a limited supply of available, allocated and/or committed sites across the Study Area that meets the definition of ‘strategic employment sites’, and an urgent need for additional sites to be brought forward to provide a deliverable pipeline, noting the very substantial lead-in times for promoting and bringing forward such sites.
- 6.199 As part of the engagement process, stakeholders were invited to submit details of their land interests. The consultant team received details of 31 sites of 25+ ha that stakeholders were promoting, or were considering promoting, for employment development. These sites represent a combined area of circa 2,370 ha, or circa 9.48 million sqm of potential

floorspace. Based on average take up of circa 0.4 million sqm p.a, this equates to a further 23.7 years of potential capacity/supply:

*“This would require, of course, that all these sites would ultimately be confirmed as allocations in the relevant development plan(s), which will not be the case. Moreover, it has no temporal dimension, and makes no allowance for the time that it may take to secure such allocations, and to then bring those forward through the planning application process, and to deliver any necessary supporting infrastructure. For these reasons, it is not sensible to conclude that all the identified sites will contribute to supply in the short to medium term and this element of potential supply should be treated with an appropriate degree of caution. It is worth emphasising also that whilst the table reports a ‘years supply’ figure for each Key Location, those figures are based on the assumed demand across the whole of the West Midlands geography, rather than for each Key Location.”*  
[page 3]

6.200 As can be seen in Table 6.15, **Area 4 has just 3.23 years’ supply** based on 323 ha of allocated sites, rising to 8.17 years’ supply if the 494 ha of industry-promoted sites are all incorporated.

Table 6.15 Existing and Potential Supply in Key Locations (Source: Avison Young 2019)

	Area 1	Area 2	Area 3	Area 4	Area 5	Years Supply	Outside 5 Clusters
Allocated Sites	71 ha	264 ha	-	323 ha	83 ha		100 ha
<b>Years Supply</b>	<b>0.71</b>	<b>2.64</b>	-	<b>3.23</b>	<b>0.83</b>	<b>7.41</b>	<b>1</b>
Industry Promoted Sites	905 ha	448 ha	152 ha	494 ha	70 ha		301 ha
<b>Years Supply</b>	<b>9.05</b>	<b>4.48</b>	<b>1.52</b>	<b>4.94</b>	<b>0.7</b>	<b>20.69</b>	<b>3</b>
TOTAL	976 ha	712 ha	152 ha	817 ha	153 ha		401 ha
<b>TOTAL YEARS SUPPLY</b>	<b>9.76</b>	<b>7.12</b>	<b>1.52</b>	<b>8.17</b>	<b>1.53</b>	<b>28.1</b>	

Source: Avison Young /Arcadis (May 2021): West Midlands Strategic Employment Sites Study – Final Report

6.201 Helpfully, the WMSESS 2021 concludes that Strategic Employment Sites are best delivered in locations that are accessible to the strategic highway network, with sites located close to motorway junctions being prioritised by developers and occupiers. The Study includes a high-level review of land adjacent to all motorway junctions within the Study area to test whether there may be sites of 25+ ha that could accommodate strategic employment needs. The search identifies substantial amounts of land that could support employment development, if promoted for those purposes, and subject to the consideration of technical, environmental and other matters. It has not, however, made any allowance in its conclusions on potential supply from such sites.

*“It is our view that, at a minimum, recent levels of demand are likely to be sustained from a market perspective. This could, however, increase over and above current levels given the attraction of the area as a location for investment. We have recommended that consideration be given to the specifics over quantum of demand being assessed via an econometric demand forecast.”* [page 4]

6.202 AY’s search concluded that 20 motorway junctions within the Study Area have the potential to support employment development on sites of 25+ ha and with a total area of circa 1,119 hectares (see Figure 6.3).

6.203 This includes a 43 ha potential site in South Staffordshire District on land to the west of Junction 12 of the M6, north of the A5 which is presumably on the opposite side of the Motorway to the proposed site at Gailey Lea.

Figure 6.3: Allocated Sites and Sites at Motorway Junctions (Source: Avison Young 2019)



Source: Avison Young /Arcadis (May 2021): West Midlands Strategic Employment Sites Study – Final Report, Figure 6.2

6.204 The WMSESS 2021 concludes that the prime market-facing locations for Strategic Employment Sites is to the east of Birmingham in an area that covers a geography from J2 of the M42 in the south, north to J10 of the M42, south-west to J14 of the M40 and east to J1 of the M6.

6.205 **The analysis ultimately underlines the urgent need to identify a pipeline of new Strategic Employment Sites to meet needs beyond the 7.41 years (or less) of supply that exists in allocations and committed sites.**

6.206 It also suggests that the next step should involve testing, through econometric forecasting, the level of demand that the sub-region should be seeking to meet and that, whatever that level may be, existing supply must be supplemented in the short term.

**Summary of Unmet Needs**

6.207 In summary therefore, South Staffordshire District has a role to play in delivering strategic logistics/manufacturing floorspace to address very significant levels of unmet need across Birmingham City, the Black Country and for the West Midlands as a whole.

6.208 The EDNA concludes that **36.6 ha** of South Staffordshire’s current employment land supply can theoretically make a ‘proportionate’ contribute to meeting the unmet needs of neighbouring authorities, excluding the WMI.

- 6.209 **We disagree with this proposition, as we do not see how the EDNA (and by extension SSDC) can conclude that the District is making a ‘proportionate’ contribution to the unmet needs of neighbouring authorities, when it has not defined the scale of unmet strategic need across the FEMA in the first place.**
- 6.210 The strategic evidence that is available suggests that the scale of unmet need that South Staffordshire should be contributing towards is very substantial indeed. This comprises at least 74 ha to meet Birmingham City’s unmet needs, which should potentially increase to 98 ha if appropriate adjustments are made. Even more relevantly, the four Black Country districts have a combined under supply of between 212 and 232 ha of employment land over the next planning period, which would equate to **between 145 ha and 165 ha even if the 67 ha contribution from the WMI is deducted.**
- 6.211 Finally, the WMSESS reports that the supply of allocated and committed employment land across the region would appear to represent a maximum of 7.41 years supply. For the Black Country and South Staffordshire ‘key location’, this increases to 8.17 years. Excluding industry promoted sites without an allocation, this falls to just 3.23 years for Area 4 which South Staffordshire is located within. The report concludes that on the basis of the ‘past trends’ approach, there is a limited supply of available, allocated and/or committed sites across the Study Area that meets the definition of ‘strategic employment sites’, and an urgent need for additional sites to be brought forward to provide a deliverable pipeline, noting the very substantial lead-in times for promoting and bringing forward such sites.
- 6.212 The WMSESS suggests that the next step should involve testing, through econometric forecasting, the level of demand that the sub-region should be seeking to meet and that, whatever that level may be, existing supply must be supplemented in the short term.
- 6.213 Whilst SSDC’s emerging Local Plan notes that depending on the outcomes of any future stage 2 EDNA study for the wider West Midlands region, it may be appropriate to consider allocating additional new employment land should it be confirmed that the Black Country cannot meet their own needs. **Given that this is clearly going to be the case given the analysis above, we consider that it is premature to argue that a modest provision of 36.6 ha and the WMI represents a ‘proportionate’ contribution to meeting wider unmet needs.**

## Summary

- The fact that South Staffordshire District Council has commissioned up-to-date evidence on employment land needs is welcomed, as is the relatively positive commentary in that document regarding the need to boost delivery in the face of suppressed supply historically.
- However, we consider that the objectively assessed need forecast, of 63.6 ha over the period 2020-2040, is inadequate to address the pent-up demand and risks suppressing the District’s economy for years to come. Furthermore, we disagree that the provision of 36.6 ha and the WMI represents a ‘proportionate’ contribution to meeting wider unmet needs across the FEMA. The calculation is excessively complicated and relies on mixing and matching projections.
- We have concerns regarding the robustness of the EDNA’s employment land calculations and consider that a more aspirational approach ought to have been

progressed. In particular, there are inconsistencies/errors in the modelling and clear omissions in the modelling (particularly relating to the exclusion of a vacancy adjustment, the lack of a margin of choice in the past completions scenario, the scale of loss replacement and the adjustment for homeworking) that would increase the overall requirement significantly.

- The completions trend scenario significantly underplays the true scale of need by excluding a margin of choice and the substantial levels of strategic sites that have come forward in recent years;
- Logistics is under-represented in the modelling and the forecasting does not reflect the substantial recent growth in the sector in recent years nor the market intelligence which points to identified shortfalls in available industrial floorspace in South Staffordshire of all sizes and unprecedented demand for large logistics in this prime location;
- The Growth Scenario is not aspirational enough and should apply a percentage growth rate to the District-level figure. The current approach actually suppresses logistics needs compared to recent trends;
- The WMI is an important contributor to wider strategic needs but it is not the role of this EDNA to attempt to quantify how much of its land actually contributes to the needs of South Staffordshire District – this has already been calculated on a consistent basis for the wider region. The resultant figure, of 5 ha, is far below the EDNA’s 18.8 ha calculation which appears flawed in certain respects;
- SPRU’s approach to calculating strategic needs assumes that the Experian-led econometric Growth Forecast factors in all of the strategic requirement, when this is simply not the case – the very modest addition of 44 jobs per annum to uplift the Transport & Storage sector growth is inadequate to meet likely future growth needs and should be significantly in excess of that figure.
- The EDNA’s identification of 36.6 ha unmet need contribution from the current supply is unfounded. The calculation is based on past trends completions that do not include ‘true’ strategic take up from JLR, Amazon and Gestamp, and bakes in strategic needs of just 0.2 ha of B8 logistics;
- Fundamentally the EDNA does not model the strategic employment land needs of the FEMA as a whole and then attempt to justify South Staffordshire’s contribution. That should be the remit of a wider strategic study. Until that exercise is completed, it cannot be said with conviction that 36.6 ha plus the WMI represents a ‘proportionate’ contribution to meeting wider needs across the FEMA;
- Even if it were accepted that the Council could distribute some of the employment land arising from the WMI to other authorities, there would still be an acute unmet need for employment land within the FEMA. Other studies referenced in this report suggest that there is an unmet need for 73.64 ha for Birmingham City (potentially rising to 98 ha if certain adjustments are made) and between 212 and 232 ha of employment land for the Black Country (falling to 140-153 ha taking into account Shropshire’s contribution and the WMI);
- The WMSESS concludes that there is an urgent need to identify a pipeline of new Strategic Employment Sites across the region to meet needs beyond the 7.41 years (or less) of supply that exists in allocations and committed sites. For the Black Country and



South Staffordshire 'key location', this increases to 8.17 years. Excluding industry promoted sites without an allocation, this falls to just 3.23 years for Area 4 which South Staffordshire is located within.

## 7.0 **Industrial / Warehousing Requirements**

### **Introduction**

7.1 This section considers the future economic growth requirements across South Staffordshire District. For the purposes of this Employment Land Needs Assessment Technical Paper, we have appraised the needs of office (E(g)(i/ii), light industrial E(g)(iii), general industrial (B2) and warehousing and distribution (B8). This analysis will help inform the floorspace requirements that will likely flow from these growth needs over the period 2020-2040.

7.2 Where appropriate, we have attempted to mirror the EDNA's approach to flag up correctable errors in the methodology. We reserve the right, however, to undertake further detailed econometric modelling in due course once further up-to-date information becomes available.

### **Adjustments to the EDNA's Employment Land Scenarios**

7.3 As set out in Section 4.0, the South Staffordshire EDNA (2022) estimates that the District's objectively assessed employment land needs total 63.6 ha over the period 2020-2040.

7.4 The range is essentially underpinned by two econometric demand-led scenarios, using Experian data from November 2021 for the baseline, with an uplift under the Growth Scenario. Another scenario, by CE, was also used to inform the OAN. A further scenario by OE was ultimately discounted due to its pessimistic projection of job growth:

- Cambridge Econometrics [CE]: net job growth of 5,010;
- Experian: net job growth of 3,000;
- Oxford Economics [OE]: net loss of -2,300;
- Growth Scenario: net job growth of 4,824.

7.5 We consider that the uplift is insufficient to fully reflect an aspirational level of growth in line with the LEP growth sectors and in particular the future growth prospects of the logistics sector.

7.6 In translating these jobs into employment land requirements, we have undertaken an analysis which aligns the various industrial sectors with their likely presence in office, industrial and warehousing floorspace. This includes an allowance for jobs in other non-employment sectors that typically utilise industrial or office space, such as some construction uses, vehicle repair, courier services, road transport and cargo handling and some public administration activities. This is because a certain proportion of these jobs will occupy premises falling within the office/industrial sectors.

7.7 Using Experian's baseline forecasts, Table 7.1 indicates negative growth in light industrial jobs for South Staffordshire, equal to -146 between 2020 and 2040, which is more than countered with very strong growth in B2 industrial (+1,895) and to a much lesser extent office jobs (+206) and warehousing jobs (+89). Over 1,100 of the net job growth is likely to be based in industries not traditionally associated with requiring office, industrial or warehousing floorspace.

Table 7.1 Forecast Employment Change in South Staffordshire District 2020-2040 – Experian November 2021 Baseline Total Workforce Jobs

	Office *	Light Industrial **	B2 General Industrial ***	B8 Warehousing ****	Total Office / Industrial / Distribution Jobs	Other Jobs	Jobs in All Sectors
South Staffordshire	+206	-146	+1,746	+89	<b>+1,895</b>	+1,105	<b>+3,000</b>

Source: Experian November 2021 / Lichfields Analysis.

\* includes a proportion of public sector employment and administration & support services

\*\* includes some manufacturing, vehicle repair and some construction activities

\*\*\* includes manufacturing and some construction/utilities

\*\*\*\*includes elements of transport & communications sectors

7.8 The EDNA has undertaken a detailed assessment of the LEP’s growth sectors and the needs of the logistics sector, and amended the following sectors:

- Advanced Manufacturing and Engineering;
- Digital Economy;
- Construction;
- Business and Professional Services; and,
- Logistics and Transport.

7.9 Whilst we agree with the general principle of amending these key growth sectors so that there is a better fit with the LEP’s ambitions and uplifting the equivalent sectors in the Experian baseline accordingly, we do not agree with the approach taken by SPRU to do this. Our concerns are set out in detail in Section 4.0 of this report. We consider that the uplift essentially addresses South Staffordshire’s growth potential, rather than meeting unmet need from the surrounding authorities.

7.10 In terms of the key issues raised, we disagree that the strong net growth in the B2 Manufacturing sector forecast by Experian can be discounted. This has been driven by the strong recent growth in the automotive sector which has out-performed the rest of the LEP area and we see no evidence to suggest that this growth will be scaled back in the coming years – quite the reverse in fact. For this reason, we consider that the Experian net growth figure of +1,900 in Manufacturing jobs over the 20-year Plan period should be retained, rather than discounted to 1,223 in the EDNA.

7.11 Regarding the other sectors, whilst we agree with SPRU that it is not unreasonable to apply the (generally) higher past trend growth experienced in these sectors across the LEP area to South Staffordshire going forward, we disagree with the approach taken. We consider that it is perverse to calculate the CAGR to work out the net growth at District level between 2009 and 2020, only to ignore it beyond that point; it is also inconsistent to apply it to a 2009 starting point and not the Plan starting point of 2020 – otherwise (and as is the case in the Transport & storage example) the rate of growth between 2009 and 2020 risks being lower than was actually seen in South Staffordshire District over those 11 years.

7.12 Accordingly, in Table 7.2 we have used the same BRES data as SPRU has over the period 2009-2020 to calculate a LEP-wide CAGR; we have then simply applied this annual growth

rate to the actual 2020 BRES starting point for South Staffordshire to come to a net job growth figure for the District. The resulting calculations are set out in Table 7.2.

- 7.13 Overall, this results in an uplift of 3,546 above the EDNA growth for those sectors, due primarily to retaining the Manufacturing growth in the Experian baseline model, as well as the growth in Transport & Storage and to a lesser extent the Financial, Professional & Business Services sector.

Table 7.2 Approach to Uplifting Key growth Sectors in South Staffordshire District (2020 – 2040)

	LEP-wide CAGR 2009-2020	Net Job Growth 2020-2040	EDNA Net Job Growth 2020-2040	Difference
Manufacturing	n/a	<b>+1,900</b>	+1,223	<b>+677</b>
Digital Economy	2.541%	<b>+293</b>	+294	<b>-1</b>
Construction	3.044%	<b>+719</b>	+473	<b>+246</b>
Business and Professional Services*	4.809%	<b>+1,881</b>	+1,153	<b>+728</b>
Transport & Storage	5.570%	<b>+2,778</b>	+882	<b>+1,896</b>
<b>TOTAL GROWTH</b>	-	<b>+7,571</b>	<b>+4,025</b>	<b>+3,546</b>

Source: Experian November 2021 / BRES 2021 / Lichfields' analysis

\*CAGR uplift applied to Professional Services element only, with the +1,481 job uplift for this sub-sector added on to the net growth of 400 jobs in the Experian baseline for the other FBS classifications.

- 7.14 This may be revisited subsequently when further information is assessed concerning the Council's economic growth aspirations. As shown in Table 7.3, the uplift in the Growth Scenario from the Experian baseline is in the order of 5,371 overall, of which 1,321 relates to office, 990 for light industrial and 2,372 for B8. The B2 general industrial net job growth remains unchanged.

Table 7.3 Forecast Net Job Change in South Staffordshire District (2020 – 2040)

	2020-2040	
	Experian Baseline	Growth Scenario
Office (E(g)(i)/(ii))	+206	+1,527
Light Industrial (E(g)(iii))	-146	+844
Industrial (B2)	+1,746	+1,746
Distribution (B8)	+89	+2,461
<b>Total Office / Industrial / Distribution Jobs</b>	<b>+1,895</b>	<b>+6,577</b>
Other Jobs	+1,105	+1,794
<b>Jobs in All Sectors</b>	<b>+3,000</b>	<b>+8,371</b>

Source: Experian November 2021 / Lichfields' analysis

- 7.15 As per the EDNA, we have applied standard employment densities to the forecast workforce job change figures (based upon the latest HCA<sup>43</sup> Guidance on employment densities, translated from FTEs to workforce jobs and, where appropriate, from NIA/GIA to GEA), by Use Class.

- 7.16 Based on the HCA Guidance, we have assumed that:

- One general office workforce job requires **12.5 sqm** of employment floorspace (Gross External Area [GEA]);

<sup>43</sup> HCA (November 2015): *Employment Densities Guide, 3<sup>rd</sup> Edition* CD6.16

- One light industrial job requires **47 sqm** of employment floorspace [GEA];
- One general industrial workforce job requires **36 sqm** of employment floorspace [GEA]; and,
- One job per 64.5 sqm for general, smaller scale warehousing; 1 job per 71 sqm for medium scale units; and 1 job per 87.5 sqm for Big Box national distribution/order fulfilment centres (split equally across the three size types). This equates to an average of **74 sqm** overall.

7.17 The EDNA uses similar employment densities of around 12 sqm for office jobs (albeit the sub-sectors vary slightly from 11 sqm to 13 sqm); 50 sqm for B1b R&D; 47 sqm for light industrial; 36 sqm for B2 general industrial; and 80 sqm for B8 distribution.

7.18 Where a reduction in jobs is forecast (e.g. light industrial), we have halved the associated negative floorspace to reflect the fact that job decline at a particular company does not automatically translate into a comparable loss of floorspace, at least not in the short-medium term, due in part to companies being locked into leasing agreements etc.

7.19 We have then applied an **8% uplift above occupier demand to reflect vacancy rates** in a smoothly functioning market. We have not done this where the net floorspace figure is negative.

Table 7.4 Forecast Net Floorspace Change in South Staffordshire District (2020–2040), in sqm

	Baseline		Growth Scenario	
	Occupier demand	Incl. Vacancy Factor	Occupier demand	Incl. Vacancy Factor
Office (E(g)(i)/(ii))	+2,581	+2,787	+19,087	+20,614
Light Industrial (E(g)(iii))	-3,420	-3,420	+39,655	+42,827
Industrial (B2)	+62,839	+67,866	+62,839	+67,866
Distribution (B8)	+6,585	+7,111	+182,919	+197,552
<b>Total</b>	<b>+68,585</b>	<b>+74,345</b>	<b>+304,500</b>	<b>+328,860</b>

Source: Experian November 2021 / Lichfields’ analysis

7.20 By applying a 40% plot ratio to be consistent with the EDNA, this results in a net land requirement of between 18.59 ha and 82.21 ha. By way of contrast, at this point in its calculation, the EDNA had identified a net need for 19.2 ha with the Experian scenario (very similar to the comparable figure we have arrived at) and 33.8 ha for the Growth Scenario, which is significantly below our figure in Table 7.5.

Table 7.5 Net Demand for additional industrial land in South Staffordshire District (2020–2040)

	Experian Baseline		Growth Scenario	
	Lichfields	EDNA	Lichfields	EDNA
Office (E(g)(i)/(ii))	0.70	0.8	5.15	2.9
Light Industrial (E(g)(iii))	-0.85	19.5	10.71	14.8
Industrial (B2)	16.97		16.97	
Distribution (B8)	1.78	-1.1	49.39	16.2
<b>Total</b>	<b>18.59</b>	<b>19.2</b>	<b>82.21</b>	<b>33.8</b>

Source: Experian November 2021 / Lichfields’ analysis / EDNA Table 69



### **Adjustment for future losses**

- 7.21 We agree with the EDNA that an adjustment needs to be made to translate net demand to gross demand through factoring an appropriate uplift for loss replacement. We also acknowledge that the application of a suitable level of loss replacement to employment land modelling can often be a difficult judgement to make.
- 7.22 Based on the available data, Lichfields' approach is to make an informed judgement regarding the suitability and degree of the allowance for future losses which it would be appropriate to apply based on an understanding of supply-side deliverability factors in South Staffordshire District and current/past trends in the market.
- 7.23 Some replacement is needed to refresh the quality of the stock and to avoid the employment land supply continually declining. Past trends can often be a helpful indicator of future needs. However, they are, by definition, backward facing. As such, where future conditions are expected to differ from what has gone before, the value of past trends is more limited.
- 7.24 As set out in detail in Section 4.0 of this report, SPRU calculated the scale of loss replacement based on past losses over the period 2011/12 to the present, and then projected this forward over the 20-year forecasting period. This comprises just 25,000 sqm, or around 2,200 sqm of B-Class floorspace, per annum. Multiplied by 20 (years) and converted to land, this results in a replacement demand of just **10.91 ha** (of which 2.28 ha relates to offices and 8.63 ha for industrial / warehousing).
- 7.25 Our view is that a figure of just 2,182 sqm per annum (0.55 ha) seems too low to be credible and will do little to rejuvenate the District's aging stock.
- 7.26 The Council's 2022 SHELAA identifies a number of employment sites that have planning permission for housing or which are under construction (as of 31<sup>st</sup> March 2021), cumulatively totalling 9.79 ha. This is not far off the entire replacement demand of 10.91 ha allowed for in the EDNA and more is likely to be lost over the remaining years of the Plan to 2040. It suggests that there is justification for going above the loss replacement figure in the EDNA.
- 7.27 A further test is whether the scale of past losses is generally reflective of the size of South Staffordshire District's economy, and whether this should be adjusted to allow for a degree of refurbishment to prevent the portfolio becoming increasingly unattractive to the market. An alternative approach to calculating land requirements therefore involves the application of a rate of 'churn', which is equivalent to a proportion of South Staffordshire's existing commercial / industrial stock per annum being redeveloped.
- 7.28 A number of ELRs have used a replacement figure of around 1% per annum<sup>44</sup>, which would be the equivalent of an area's entire stock being replaced over a period of 100 years. This has been acknowledged as a valid alternative approach (to adjusting for anticipated future losses) when translating net employment land needs into a gross planning requirement. A 0.5% replacement level would be the equivalent of the entire stock being replaced over 200 years. To put this into context, a widely-used rule of thumb in the development industry

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<sup>44</sup> See, for example, Lichfield District Council's Employment Land Review 2014 Update and work covering the areas of: The West of England Updated Employment Evidence (Bath & North East Somerset, Bristol, North Somerset and South Gloucestershire) November 2018; Greater Exeter Economic Development Needs Assessment (Devon County, East Devon, Exeter, Mid-Devon, Teignbridge and Dartmoor National Park) March 2017 and Dartmoor National Park Employment Land Review, January 2018.

suggests that high bay logistics units often have a much shorter shelf life of just 30-40 years before they become obsolete to modern distribution occupiers and require substantial refurbishment if not demolition and rebuild.

7.29 Other ELR studies<sup>45</sup> have noted that approximately 20% of historic completions have been achieved through (former) B-Use Class redevelopment (i.e. the re-use of formerly B-Use Class employment sites), with the remainder requiring new sites. This suggests that there will likely be a requirement for a high proportion of replacement activity on new sites to deliver new employment land supply to meet modern occupier needs.

7.30 Table 7.6 compares the rate of replacement needed for South Staffordshire’s office/industrial stock. It assumes that 1% of the existing commercial / industrial floorspace would be replaced per annum (based on the existing floorspace for the District using the VOA’s latest Business Rates data for 2021) and netting off a further 20% (assuming that 1 out of 5 sites will be recycled for employment use).

Table 7.6 South Staffordshire District Replacement Rate Analysis

	Total Floorspace 2021/22	Annual Replacement at 1%*	Annual Replacement at 0.5%*	% of Units built prior to 1940 (as at 2003)	
				South Staffordshire	England and Wales
Office	44,000 sqm	352 sqm (0.09 ha)	176 sqm (0.04 ha)	53.8%	51.0%
Industrial & Warehousing	820,000 sqm	6,560 sqm (1.64 ha)	3,280 sqm (0.82 ha)	18.8%	32.4%
<b>Total</b>	<b>864,000 sqm</b>	<b>6,912 sqm (1.73 ha)</b>	<b>3,456 sqm (0.86 ha)</b>	<b>29.3%</b>	<b>40.0%</b>

Source: Lichfields’ analysis/VOA Business Floorspace (2022) / DCLG (2004): Age of commercial and industrial stock: local authority level 2004 (Table 3.1). \*Using a 40% plot ratio to translate office/industrial floorspace to land and netting off 20% replacement.

7.31 The Table indicates that given its size, South Staffordshire District would need to be replacing around 6,912 sqm / 1.73 ha of employment land per annum to refresh all of its stock in 100 years.

7.32 Furthermore, as set out in the Table (and acknowledging that this is based on rather dated 2003 VOA information), South Staffordshire District has a comparatively low proportion of older stock, with just 29.3% of all office/factory/warehousing units dating from before WWII. This compares to 40% for England and Wales. Just 19% of industrial units pre-date WWII. This could suggest a lower rate of churn may be required to address the high proportion of older stock that is less likely to be fit to meet the needs of modern-day occupiers, and therefore a 0.5% rate, of 3,456 sqm p.a., is considered appropriate in this instance.

7.33 Over 20 years, replacing 3,456 sqm of office / industrial / warehousing floorspace per annum would equate to **69,120 sqm or 17.28 ha in total**. This is 58% higher than the 10.91 ha SPRU has made provision for in the EDNA.

7.34 As can be seen from Table 7.7, making a suitable allowance for loss replacement would increase the gross demand to between 35.87 ha and 99.49 ha overall, depending on whether the Experian Baseline or the Growth Scenario is followed.

<sup>45</sup> West of England Joint Spatial Plan Area Updated Employment Evidence (2018)

Table 7.7 Gross Demand for additional employment floorspace in South Staffordshire District (2020 – 2040)

		Experian Baseline			Growth Scenario		
		Total Net Demand	Loss Replacement	Gross Demand	Total Net Demand	Stock vacancy adjustment	Gross Demand
Office	Floorspace (sqm)	2,787	3,520	<b>6,307</b>	20,614	3,520	<b>24,134</b>
	Land (ha)	0.70	0.88	<b>1.58</b>	5.15	0.88	<b>6.03</b>
Industrial / Warehousing	Floorspace (sqm)	71,558	65,600	<b>137,158</b>	308,246	65,600	<b>373,846</b>
	Land (ha)	17.89	16.40	<b>34.29</b>	77.06	16.40	<b>93.46</b>

Source: Lichfields' analysis

### Inclusion of a Margin of Choice

- 7.35 To estimate the overall requirement of employment space that should be planned for in allocating sites, and to allow some flexibility of provision, it is normal to add an allowance as a safety margin for factors such as delays in some sites coming forward for development.
- 7.36 This margin represents a contingency factor, providing a modest additional land buffer so that supply is not too tightly matched to estimated demand, and so that shortages of land do not arise if future demand turns out to be greater than the forecasts. Such flexibility is sensible given the uncertainties in the forecasting process and the scope for delays in developing employment space.
- 7.37 The scale of the margin is a judgement call, but tends to be reflective of the challenges in the local market based on past completions, ranging from 2 to 5 years.
- 7.38 Birmingham City Council's recently published HEDNA in April 2022 states that a margin of flexibility should be applied to recognise that forecasting is not an exact science; that locational and site size requirements vary; and there is always the potential for delay/slippage in sites coming forward. The Birmingham HEDNA included a margin for flexibility equal to 5 years of gross completions for industrial / distribution and 2 years for offices.
- 7.39 The South Staffordshire EDNA has calculated the margin of flexibility based on 5-years' worth of completions, equal to 2.6 ha of office land and 13.3 ha of industrial / warehousing land (15.9 ha in total). This is based on annual floorspace completions of 2,105 sqm p.a. for office and 10,629 sqm p.a. for industrial / warehousing.
- 7.40 Whilst five years is towards the upper end of the scale when it comes to a flexibility margin, given the scale and complexity of the industrial property market in this sub-region, and to be consistent with the EDNA approach, we consider that in this instance it is appropriate to allow for a safety margin **equivalent to five years of take-up**.
- 7.41 However, as set out in Section 4.0, we consider that a case can be made to include the take up on strategic sites such as JLR, Amazon and Gestamp. If part of the logic of providing a margin of flexibility is to enable the Council to respond flexibly to unforeseeable inward investment opportunities, then arguably it does not make sense to exclude past take up contributions from inward investment opportunities in recent years.

7.42 This would increase the annual figures to 3,106 sqm p.a. for office and 45,113 sqm p.a. for industrial / warehousing, or 15,530 sqm (3.88 ha) for office and 225,565 sqm (56.39 ha) for industrial over five years.

7.43 The resultant floorspace needs are illustrated in Table 7.8. In summary, the demand-led total gross employment land requirement to 2040 based on the baseline and high growth scenario approaches, factoring in a 5-year margin of choice and a suitable allowance for vacancy and losses, **results in a need for between 207,135 sqm and 461,650 sqm of industrial and warehousing floorspace.** This equates to between **51.78 ha and 115.41 ha** when a plot ratio of 40% is applied. Our baseline figure is 11 ha above the comparable Experian figure in the EDNA, whilst our Growth Scenario is a substantial 60.31 ha higher than the equivalent 55.1 ha growth scenario figure in the EDNA (and 51.81 ha higher than the final 63.6 ha employment land OAN in the EDNA).

7.44 **For the purposes of this ELNA we have retained the lower take up figure for the margin of choice but this should certainly be considered a minimum flexibility adjustment and we reserve the right to revisit this assumption in light of a more detailed analysis of up-to-date completions data closer to the Local Plan EiP.**

7.45 If the strategic take up is factored into the margin of choice, then the Experian baseline figures would increase to 384,560 sqm/**96.14 ha for the Baseline Scenario** (5.46 ha office / 90.68 ha industrial and warehousing) and 639,075 sqm / **159.77 ha for the Growth Scenario** (9.92 ha office / 149.85 ha industrial and warehousing).

Table 7.8 South Staffordshire District estimates of future employment floorspace needs 2020-2040 (sqm)

		Office		Industrial / Warehousing	
		Floorspace (sqm)	Land (ha)	Floorspace (sqm)	Land (ha)
Experian Baseline Scenario	Net Demand	2,787	0.70	71,558	17.89
	Loss Replacement	3,520	0.88	65,600	16.40
	5-year margin	10,525	2.63	53,145	13.29
	<b>Total Gross Demand</b>	<b>16,832</b>	<b>4.21</b>	<b>190,303</b>	<b>47.58</b>
Growth Scenario	Net Demand	20,614	5.15	308,246	77.06
	Loss Replacement	3,520	0.88	65,600	16.40
	5-year margin	10,525	2.63	53,145	13.29
	<b>Total Gross Demand</b>	<b>34,659</b>	<b>8.66</b>	<b>426,991</b>	<b>106.75</b>

Source: Lichfields' analysis

7.46 **Whilst this may sound a considerable uplift, it is important to bear in mind that 385,752 sqm was completed in just 8 years between 2012/13 and 2019/20, which would equate to 96.44 ha, or around 90% of the 20-year Growth Scenario target in Table 7.8 above.** This is primarily due to the delivery of three very large inward investment developments of Amazon/Gestamp at the Four Ashes site and the floorspace delivered at JLR at the 154 Business Park.

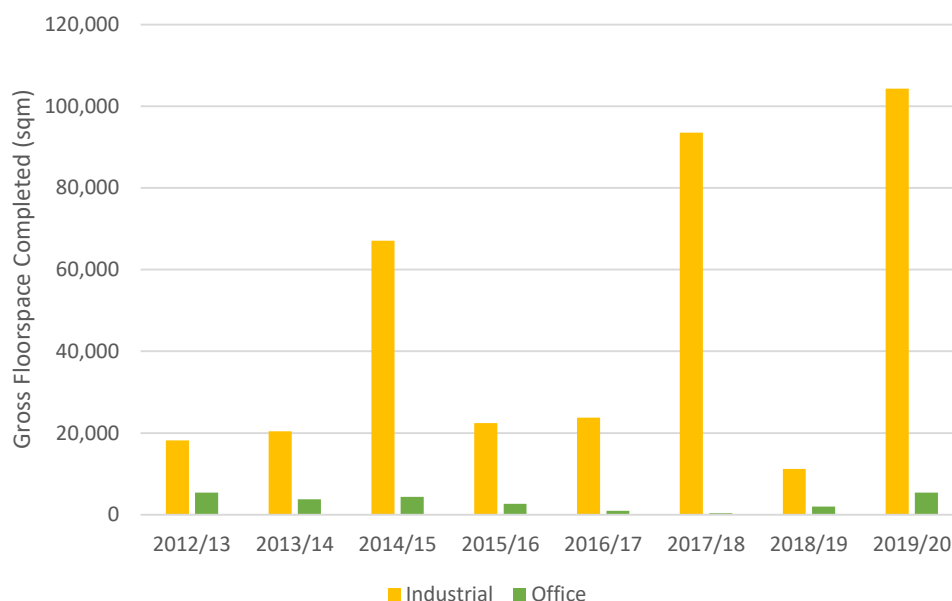
7.47 **Our view remains that the figures in the Tables above do not make any provision for the unmet strategic industrial / warehousing needs of adjoining Districts, which would be in addition to the figures in Table 7.8.**

7.48 We note that the modelling above has not explored the implications of other amendments to the methodology as referred to in Section 4.0. As such, we reserve the right to undertake further detailed analysis to understand the likely implications of these and other robust amendments to the EDNA methodology in due course.

### Past Development Rates

7.49 As set out in the EDNA, the trend of past completions can be considered as an appropriate alternative scenario to forecasting future employment land requirements. Extrapolating the past completions forward over a 20-year period provides a straightforward way to estimate the future requirements in South Staffordshire for the plan period.

Figure 7.1 Gross Take-Up of B-Class employment floorspace in South Staffordshire District, 2012/13 – 2019/20



Source: 2022 EDNA Tables 25 and 28 / Lichfields' Analysis

7.50 Figure 7.1 indicates that there have been several peaks in delivery over the past 8 years, in 2014/15, 2017/18 and again in 2019/20.

7.51 The EDNA strips out the large strategic developments that took place over this monitoring period at JLR, Amazon and Gestamp on the basis that they were 'atypical'. As a result, the strategic take up which informs the contribution of strategic logistics sites in South Staffordshire is founded on past completions trend that totals just 0.2 ha for B8, which would rise to 78.8 ha if JLR, Amazon and Gestamp were included.

7.52 Table 7.9 summarises the past take up rates over this period and trends the resultant figures over the 20-year plan period. The 'Take Up' scenario in the Table simply trends forward the past completions with JLR, Amazon and Gestamp stripped out of the figures as per the EDNA approach. Based on a gross annual completion of 2,105 sqm per annum for office and 10,629 sqm for industrial, this would result in a need for 42,100 sqm for office floorspace (10.5 ha) and 212,580 sqm (10.5 ha) for industrial / warehousing (254,691 sqm / 63.7 ha in total).

7.53 However, as discussed in length earlier in this report, we disagree that this scenario should be treated differently by SPRU, with the margin of choice discounted. If an additional five



years' flexibility is incorporated into the base calculation, this would raise the requirement to **318,363 sqm or 79.6 ha overall**.

- 7.54 This likely represents the total indigenous need for employment land in the District. If the strategic sites are included at JLR, Amazon and Gestamp, this would increase the overall land take up and associated requirements very substantially, to 72m638 sqm / 18.2 ha of office and 955,413 sqm / 238.9 ha of industrial / warehousing. **This equates to 1,028,068 sqm / 257 ha in total**. This incorporates the same margin of choice as the local indigenous take up scenario. If the higher level of take up were factored into the margin of choice this would increase the overall figures by 177,425 sqm or 44.35 ha.
- 7.55 We are not recommending that the 257 ha represents South Staffordshire District's indigenous needs; nevertheless, it is an indication of the scale of demand that could be sustained in the District if strategic, footloose employment land demands are fulfilled here.
- 7.56 This no doubt includes a substantial element of 'bigger than local' strategic B2 and B8 unmet need from elsewhere in the FEMA, but as set out above this avoids the complex set of calculations employed by SPRU in the EDNA to try and identify the District's appropriate contribution of the FEMA's unmet strategic need.

Table 7.9 South Staffordshire District Annual Average Take up 2012/13-2019/20 (ha)

		Take Up			Take Up incl. JLR / Amazon / Gestamp		
		Annual Gross Completions	20-year Projection	Including 5 Year Margin	Annual Gross Completions	20-year Projection	Including 5 Year Margin
E(g) (i)/(ii) Office	Floorspace (sqm)	2,105	42,100	<b>52,625</b>	3,106	62,113	<b>72,638</b>
	Land (ha)	0.5	10.5	<b>13.2</b>	0.8	15.5	<b>18.2</b>
E(g) (iii) Light Industrial / B2 General Industrial / B8 Warehousing	Floorspace (sqm)	10,629	212,580	<b>265,725</b>	45,113	902,268	<b>955,413</b>
	Land (ha)	2.7	53.1	<b>66.4</b>	11.3	225.6	<b>238.9</b>
Total	Floorspace (sqm)	12,735	254,691	<b>318,363</b>	48,220	964,396	<b>1,028,068</b>
	Land (ha)	3.2	63.7	<b>79.6</b>	12.1	241.1	<b>257.0</b>

Source: HPBC / Lichfields Analysis. Note: rounding errors mean that sums do not always add.

- 7.57 For South Staffordshire, and based on the past Take Up Scenario, a minimum figure of around 80 ha would be needed to meet its indigenous needs, based on a continuation of past trends. If the District's recent success in attracting substantial levels of inward investment from elsewhere in the sub-region (and beyond) is maintained however, then a much higher amount of employment land should be provided. A figure of 257 ha would provide sufficient land to accommodate a continuation of inward investment and could assist in meeting some of the unmet needs of adjoining Districts, plus a suitable allowance for flexibility.

## Summary

- 7.58 In conclusion, the EDNA recommendation that South Staffordshire District's objectively assessed need for employment land totals just 63.6 ha up to 2040 does not bear scrutiny. Our detailed analysis, using most of SPRU's inputs from the EDNA but with appropriate adjustments made to vacancy rates, a margin of choice, loss replacement and uplifting the growth sectors by the CAGR, results in a significant increase in the requirement.

- 7.59 **As can be seen in Table 7.10, the Experian baseline starting point equates to 52 ha, rising to 115 ha if suitable adjustments are made to allow for success in attracting jobs based on the LEP’s growth sectors and logistics.** The equivalent figures would increase to between 96 ha and 160 ha if a higher margin of choice is factored in to reflect strategic site delivery.
- 7.60 We consider that this is essentially a policy driven, pro-growth vision for South Staffordshire District that is not addressing unmet need from adjoining districts in any substantive way. As a result, any unmet need from the Black Country / Birmingham or elsewhere in the West Midlands would need to be **additional** to this requirement.
- 7.61 By way of comparison, the past take up scenarios show the scale of land that would need to be provided if the District’s recent success in attracting large scale inward investment from the likes of JLR, Amazon and Gestamp is replicated in the future. The lower end of the past take up range equates to 80 ha and would address primarily localised needs, excluding substantial investments of the kind that have driven job growth in the District so impressively over the past five years or so. The upper end of the past take up range, at 257 ha, seems large for a District of South Staffordshire’s size but reflects the opportunities on offer in the District and the potential to accommodate substantial levels of unmet need from adjoining areas such as the Black Country.

Table 7.10 South Staffordshire District estimates of future employment floorspace needs 2020-2040 (sqm)

		Office		Industrial / Warehousing		TOTAL	
		Floorspace (sqm)	Land (ha)	Floorspace (sqm)	Land (ha)	Floorspace (sqm)	Land (ha)
<b>Experian Baseline Scenario</b>	Net Demand	2,787	0.70	71,558	17.89	74,345	18.59
	Loss Replacement	3,520	0.88	65,600	16.40	69,120	17.28
	5-year margin	10,525	2.63	53,145	13.29	63,670	15.92
	<b>Total Gross Demand</b>	<b>16,832</b>	<b>4.21</b>	<b>190,303</b>	<b>47.58</b>	<b>207,135</b>	<b>51.79</b>
<b>Growth Scenario</b>	Net Demand	20,614	5.15	308,246	77.06	328,860	82.21
	Loss Replacement	3,520	0.88	65,600	16.40	69,120	17.28
	5-year margin	10,525	2.63	53,145	13.29	63,670	15.92
	<b>Total Gross Demand</b>	<b>34,659</b>	<b>8.66</b>	<b>426,991</b>	<b>106.75</b>	<b>461,650</b>	<b>115.41</b>
<b>Indigenous Take Up Scenario</b>	Demand	42,100	10.53	212,580	53.15	254,680	63.68
	5-year margin	10,525	2.63	53,145	13.29	63,670	15.92
	<b>Total Gross Demand</b>	<b>52,625</b>	<b>13.16</b>	<b>265,725</b>	<b>66.43</b>	<b>318,350</b>	<b>79.59</b>
<b>Strategic Take Up Scenario</b>	Demand	62,113	15.5	902,268	225.57	964,381	241.07
	5-year margin	10,525	2.63	53,145	13.29	63,670	15.92
	<b>Total Gross Demand</b>	<b>72,638</b>	<b>18.16</b>	<b>955,413</b>	<b>238.85</b>	<b>1,028,051</b>	<b>257.01</b>

Source: Lichfields’ analysis

## 8.0 **Alternative Site Assessment**

- 8.1 This section sets out that the proposed development at Gailey Lea is the most appropriate location for a large employment development that can capitalise on clear links to the SRN and the forthcoming WMI, and that there are no other more suitable alternative sites available.
- 8.2 To this end, Lichfields has undertaken a study which assesses the suitability of alternative locations across the FEMA and options to accommodate a large scale B2 / B8 industrial / logistics development. The need for the assessment arises from the acute employment land shortfalls arising in both the Black Country and Birmingham and the need to demonstrate that the proposals cannot be satisfactorily accommodated elsewhere in the FEMA.
- 8.3 As such, this study reviews the potential locations for large scale industrial development in the FEMA. This includes South Staffordshire, Wolverhampton, Dudley, Sandwell, Walsall, Cannock Chase and Stafford. It also considers if there are any other options for the delivery of the industry and warehousing floorspace through disaggregation. It provides a broad assessment of the suitability of potential alternative development sites in the FEMA for B-Class employment at a strategic scale against a range of criteria.

### **Methodology**

- 8.4 As noted above, this study evaluates the suitability of alternative locations for a large scale industrial /logistics scheme of a similar form to that being proposed at Gailey Lea. The approach to this study is as follows:
- 1 **Stage 1: Defining the Search Area**  
The study area is considered and defined.
  - 2 **Stage 2: Identification of Potential Sites**  
The possible sources of supply and potential sites are identified and considered against the minimum site size requirement.
  - 3 **Stage 3: Assessment of Potential Alternative Sites**
    - a **Minimum Site Requirements Assessment** – the identified sites are assessed against the minimum criteria, discounting those that do not meet these criteria.
    - b **Site Suitability Assessment** – The possible alternative sites are assessed against a range of suitability criteria.
- 8.5 It should be noted that site visits have not been undertaken to inform this assessment. The assessments are based on desk-top analysis and publicly available information only. It is a strategic assessment and does not therefore include the level of detailed information and analysis that would be required for a planning application. It is also noted that the study has been prepared in the context of the NPPF (Para. 141) to demonstrate that it has examined fully all other reasonable options for meeting its identified need for development.

#### **Stage 1: Defining the Search Area**

- 8.6 The first stage is to define an area of search within which to look for alternative sites. This needs to be based on market evidence in respect of the type of floorspace proposed and the geographic area where the need arises. As stated, the Site is ideally located in an area that will appeal to regional and national companies looking to capitalise on the opportunity and connections presented by the recently approved WMI and its proximity to the SRN,

whether that be manufactures, or rail-linked storage and warehousing. It is also well located in terms of proximity to both Birmingham and the Black Country, both of which are unable to fully meet their employment land needs. In this regard, the development is intended to meet a specific requirement for large scale B2 / B8 industrial / logistics development in the FEMA. The relevant market area for the purpose of the study is therefore focused on the FEMA.

## **Stage 2: Identification of Potential Sites**

- 8.7 The WMSES provided an audit of existing sites within the West Midlands that met the definition of 'Strategic Employment Land'. In defining 'Strategic Employment Land', the study put forward a threshold of 25 ha as "*an appropriate scale for a general employment site that would be able to attract strategic business activity into the region*" (Paragraph 1.17).
- 8.8 Therefore, in identifying the sources of supply, a minimum site size of 25 ha has been established, mirroring the WMSES approach. Richborough's site could deliver **c.228,000 square metres [sqm] of high-quality B8/Logistics floorspace across c.87 ha.**
- 8.9 The following sources of supply are considered within Stafford, Cannock Chase, South Staffordshire and the Black Country to identify potential alternative sites:
- 1 Sites considered as part of any Employment Land Review [ELR];
  - 2 Sites considered as part of any Strategic Housing Land Availability Assessments [SHLAA]; and
  - 3 Draft allocations within an emerging Development Plan.
- 8.10 It should be stated at the outset that the purpose of this study is not to assess the deliverability of sites *per se*, but rather to highlight that there is insufficient land available that could provide a transformational employment development of a scale which would address the unmet employment needs of the FEMA, whilst capitalising on the opportunities presented by the WMI and deliver new inclusive growth over the plan period. It is also noted that one of the purposes of this study is to ensure that the alternative sites assessment has made as much use as possible of underutilised and suitable brownfield land in the context of the NPPF (Para 141).

## **Stage 3: Assessment of Potential Sites**

### **Minimum Site Requirements Assessment**

- 8.11 The criteria for the minimum site requirements have been defined based on the considerable knowledge and experience that Lichfields have of the requirements of occupiers for large-scale employment developments.
- 8.12 It is widely accepted that an essential requirement for a large-scale employment development is good access to the strategic road infrastructure. Therefore, potential alternative sites must be within 1.5km of a motorway junction.
- 8.13 There should be no obvious physical constraints that would prevent the development coming forward. For example, the site should be reasonably flat so that substantial costs are not incurred in creating the development platforms required for buildings with large footprints. Sites with a particularly challenging topography would not be suitable for this type of use.

- 8.14 The following minimum criteria are considered to be essential for potential alternative sites:
- 1 Within 1.5km of an existing motorway junction and suitable access can be achieved via a trunk road;
  - 2 A workable topography with a maximum of 35m variation in existing land levels.
  - 3 Located outside of Flood Zone 3; and
  - 4 No other pertinent physical constraints that would preclude development on the site.

**Site Suitability Assessment**

- 8.15 The site suitability assessment draws upon publicly accessible information and aerial photography, including contextual information contained in relevant policy or evidence base documents. The site suitability assessment scoring matrix is set out in Table 8.1.
- 8.16 The output of the site suitability assessment process is a summary proforma, which details the scoring of each site against each of the criteria and provides an overall comment on the site's suitability for a major employment development, and the overall suitability of the site for development. For completeness, a site suitability proforma has been prepared for Gailey Lea to provide a point of reference.



Table 8.1 Site Suitability Assessment Scoring Matrix

Criteria	Commentary	Parameters	Score
Site Size	The site area must be able to accommodate the size of the proposed buildings together with associated service areas and landscaping.	>65ha	Green
		45-65ha	Amber
		25-45 ha	Red
Motorway Access	Major logistics / manufacturing development requires good access to the motorway network. Motorways within the locality are M6, M54, M60, M66 & A627(M)	Access to motorway less than 1.0km	Green
		Access to motorway junction 1.0-1.5km	Amber
Proximity to existing industry and warehousing uses	Existing industrial and warehousing development in the direct vicinity of sites indicates the use is compatible with the local setting.	Within 200m of an existing industrial and warehousing development	Green
		Within 200m-400m	Amber
		>400m	Red
Proximity to SRFI	Future SRFI in the vicinity of sites indicates that future users will be able to capitalise on the SRFI and promote a modal shift in logistics transportation in the West Midlands.	Within 1km of the SRFI	Green
		Within 1-2km	Amber
		>2km	Red
Local Accessibility	Good access to public transport is required to ensure a sustainable location is provided to encourage employees and visitors to travel to site by means other than private transport.  *distances measured from site boundary.	Access to existing public transport services <400m.	Green
		Access to existing public transport services between 400m and 1km.	Amber
		Access to existing public transport services >1km.	Red
Relationship to settlement pattern/proximity to labour	Sites should be well located in terms of existing settlement pattern to ensure future employees are close to the site and the need for travel is minimised and harm to the landscape character is mitigated.	Sites located adjacent to existing settlement.	Green
		Sites located <1km of a settlement.	Amber
		Sites located >1km of a settlement.	Red
Relationship to other land uses	Proposed use would be compatible with existing adjacent uses and avoid particularly sensitive land uses.*	Site located >200m of a sensitive use.	Green
		Site located between 100m and 200m of a sensitive use.	Amber
		Site located <100m of a sensitive use	red
Environmental Designations	Preference is to avoid sites which are constrained by environmental designations (e.g. historic environment and nature conservation).	Site has no environmental/historic designations.	Green
		An area of the site and/or adjacent land is subject to an environmental designation.	Amber
		A large area of the site and/or adjacent land is subject to an environmental designation.	Red

Note: \* Sensitive uses defined as care homes, hospitals, schools & colleges

## **Stage 1: Defining the Search Area**

- 8.17 The first stage is to define an area of search within which to look for alternative sites. This needs to be based on market evidence in respect of the type of floorspace proposed and the geographic area where the need arises. As set out above, the Site is ideally located in an area that will appeal to regional and national companies looking to capitalise on the opportunity and connections presented by the recently approved WMI and its proximity to the SRN, whether that be manufactures, or rail-linked storage and warehousing. It is also well located in terms of proximity to both Birmingham and the Black Country, both of which are unable to fully meet their employment land needs. In this regard, the development is intended to meet a specific requirement for large scale B2 / B8 industrial / logistics development in FEMA. The relevant market area for the purpose of the study is therefore focused on the FEMA.

## **Stage 2: Identification of Potential Sites**

- 8.18 A comprehensive review of the supply of potential sites has been undertaken, with information obtained from all relevant and accessible sources provided by the seven local authorities. Suitable brownfield sites that meet the minimum size requirement of 25 ha have also been considered as potential alternative sites.
- 8.19 The following sources of supply are considered within Stafford, South Staffordshire, Cannock Chase and the Black Country to identify potential alternative sites:
- 1 Sites considered as part of any Employment Land Review [ELR];
  - 2 Sites considered as part of any Strategic Housing Land Availability Assessments [SHLAA]; and
  - 3 Draft allocations within an emerging Development Plan.

## **Employment Land Reviews**

### **Black Country Employment Land Supply Technical Paper (2021)**

- 8.20 The latest evidence available in relation to employment land in the Black Country is set out in the Black Country Employment Land Supply Technical Paper (2021). The paper sought to provide a definitive statement on employment land supply to meet future needs. The Black Country Employment Land Supply Technical Paper did not assess any sites which met the minimum alternative site size requirement of 25 ha. Therefore, no sites from the Black Country have been carried forward to the alternative site assessment.

### **South Staffordshire Economic Strategy & Employment Site Assessment Topic Paper (November 2022)**

- 8.21 The South Staffordshire Economic Strategy & Employment Site Assessment Topic Paper set out the Council's approach to employment land, and how the Council has assessed and allocated employment land to meet the requirements of the District.
- 8.22 The assessment identified the following sites which met the minimum size requirement of 25 ha:
- ROF, Featherstone – 36 ha;
  - Land south of Junction 13 of the M6 -75 ha;

- West Midlands Interchange – 297 ha;
- Land between ROF Featherstone and A449 – 63.9 ha;
- Land north of Bognop Road – 33.4 ha;
- Land at Junction 11 M6, Hilton Park – 89.2 ha;
- Upper Pendeford Farm – 35.11 ha;
- Land east of Wolverhampton Road – 36 ha;
- Land at Wall Heath – 80.66 ha;
- Land north of the A5 Gailey Lea – 35 ha; and
- Pendeford Hall Lane – 29.1 ha.

## **Land Availability Assessments**

### **Cannock Chase Employment Land Availability Assessment (2020)**

- 8.23 The Cannock Chase Employment Land Availability Assessment (2020) set out to identify land which is suitable and available for economic development uses. However, the assessment only reported the net developable area of sites, not the overall site area. Therefore, for sites within Cannock Chase, a minimum floorspace of 100,000 sqm was required for sites to move forward to the alternative site assessment.
- 8.24 The assessment identified four sites which meet the minimum floorspace requirement of 100,000 sqm:
- Kingswood Lakeside Extension 2 – 215,000 sqm;
  - Land at Coalpit Lane, Brereton, Rugeley – 100,000 sqm;
  - Former Brereton Colliery, Colliery Road, Rugeley – 380,000 sqm; and
  - Towers Business Park Phase II, Wheelhouse Lane, Rugeley – 158,000 sqm.

### **Stafford Borough Council Strategic Housing and Employment Land Availability Assessment [SHELAA] 2022 Update**

- 8.25 The Stafford Borough Council Strategic Housing and Employment Land Availability Assessment [SHELAA] identifies potential sites for housing and employment development. The SHELAA assessed 2 sites which met the minimum alternative sites size requirement of 25 ha:
- Land allocation to the north of Redhill, ST18 9SP – 113.5 ha; and
  - Land allocation north of Redhill Business Park, Stone Road – 28.2 ha.
- 8.26 Both of these sites are partially allocated for employment in the adopted Plan for Stafford Borough 2011-2031. When accounting for the land allocated in the adopted local plan, and land with permitted planning permission, the two sites are capable of delivering the following amount of windfall employment land:
- Land allocation to the north of Redhill, ST18 9SP – 91.1 ha; and
  - Land north of Redhill Business Park, Stone Road – 3.9 ha.

8.27 Therefore, only the Land allocation to the north of Redhill has been carried forward to the alternative site assessment stage.

## **Emerging Development Plan Allocations**

### **The Black Country Local Plan**

8.28 The Black Country Authorities have recently announced that they no longer intend to move forward with the Black Country Plan 2039. As such, there are currently no emerging development plan allocations to consider.

### **South Staffordshire Local Plan Review**

8.29 South Staffordshire Council are currently undertaking a Regulation 19 consultation on the draft publication plan between the 11<sup>th</sup> of November until the 23<sup>rd</sup> of December 2022. The document proposes the allocations of the following sites:

- Vernon Park – 2.8 ha;
- ROF Featherstone – 36 ha;
- Hilton Cross – 4.8 ha;
- I54 – 4.8 ha;
- I54 Western Extension (north) – 16.7 ha; and
- West Midlands Interchange (WMI) – 297 ha.

8.30 Of the proposed allocations only the WMI and ROF Featherstone meet the size requirements. Both sites were identified within the South Staffordshire Economic Strategy & Employment Site Assessment Topic Paper (2022).

### **Stafford Local Plan Review**

8.31 Stafford Borough Council is currently undertaking a review of its local plan. The Stafford Borough Local Plan 2020-2040 Preferred Options was subject to a consultation that ran from the 24<sup>th</sup> of October until the 12<sup>th</sup> of December. The document identifies two new draft employment sites:

- Land to the north of Redhill -31.15 ha; and
- Land to the east of Ladfordfields- 5.6 ha.

8.32 Only Land to the north of Redhill meets the minimum site size requirement of 25 ha. The site was identified within the SHELAA, although the site area was given as 91.1 ha. As the site is a draft allocation of 31.15 ha within the emerging plan, this is the site size that has been used within the alternative site assessment.

### **Cannock Chase Local Plan Review**

8.33 Cannock Chase Council have recently approved the Cannock Chase Local Plan 2018-2039 Regulation 19 Document for consultation in early 2023. The Regulation 19 document proposes the allocation of the following sites:

- Kingswood Lakeside Extension 2, Norton Canes – 21.5 ha NDA (Floorspace, 215,000 sqm);

- Former Power Station off A51 (Adjacent to Towers Business Park, Rugeley – 2.1 ha NDA (Floorspace, 21,000 sqm);
- Rugeley Power Station, Rugeley – 5 ha NDA (Floorspace, 50,000 sqm);
- Land at the Academy Early Years Childcare (Former Talbot Public House), Main Road, Brereton – 0.14 ha NDA (Floorspace, 1,400 sqm);
- Power Station Road (Land South of Rugeley Eastern by-pass), Rugeley – 0.37 ha NDA (Floorspace, 3,700 sqm);
- Power Station Road, Rugeley – 0.28 ha NDA (Floorspace, 2,800 sqm);
- Hill Farm, 84, Hayfield Hill, Cannock Wood, Rugeley – 0.55 ha NDA (Floorspace, 5,500 sqm);
- Cannock Elim Church, Girton Road, Rumer Hill, Cannock – 4.11 ha NDA (Floorspace, 41,100 sqm);
- Land off Norton Green Lane, Norton Canes – 0.56 ha NDA (Floorspace, 5,600 sqm);  
and
- Land off Norton Hall Lane, Butts Lane, Norton Canes - 2.2 ha NDA (Floorspace, 22,000 sqm).

8.34 The Regulation 19 document did not specify individual site sizes and therefore the Cannock Chase Employment Land Availability Assessment (2020) has been relied upon to identify which sites meet the minimum threshold. Only Kingswood Lakeside Extension 2, Norton Canes meets the minimum floorspace of 100,000 sqm. The site was identified within the Cannock Chase Employment Land Availability Assessment to be carried through to the alternative site assessment.

## **Stage 3: Assessment of Alternative Sites**

### **Introduction**

8.35 This section sets out the assessment of the potential identified alternative sites in accordance with the detailed methodology presented in this chapter.

8.36 From Stage 2 (identification of potential sites), 16 sites have been identified within South Staffordshire, Cannock Chase, Stafford, and the Black Country and carried forward for assessment. These sites are:

### **South Staffordshire**

- 1 ROF, Featherstone – 36 ha;
- 2 Land south of Junction 13 of the M6 -75 ha;
- 3 West Midlands Interchange – 297 ha;
- 4 Land between ROF Featherstone and A449 -63.9 ha;
- 5 Land north of Bognop Road – 33.4 ha;
- 6 Land at Junction 11 M6, Hilton Park – 89.2 ha;
- 7 Upper Pendeford Farm – 35.11 ha;



- 8 Land east of Wolverhampton Road – 36 ha;
- 9 Land at Wall Heath – 80.66 ha;
- 10 Land north of the A5, Gailey -35 ha; and
- 11 Pendeford Hall Lane – 29.1 ha.

### **Cannock Chase**

- 12 Towers Business Park Phase II, Wheelhouse Lane, Rugeley – 158,000 sqm (Floorspace);
- 13 Kingswood Lakeside Extension 2 -215,000 sqm (Floorspace);
- 14 Land at Coalpit Lane, Brereton, Rugeley – 100,000 sqm (Floorspace); and
- 15 Former Brereton Colliery, Colliery Road, Rugeley – 380,000 sqm (Floorspace).

### **Stafford**

- 16 Land to the north of Redhill, ST18 9SP- 31.15 ha.

## **Minimum Site Requirements Assessment**

- 8.37 The sites listed above were tested against the minimum site requirements assessment. Only five sites met the minimum criteria. The results of the minimum site requirements assessment are set out at Appendix 1. As a reference, the result of the Gailey Lea site against the minimum site requirements assessment is included.

## **Site Suitability Assessment**

- 8.38 The following five sites passed the minimum requirements assessments and are carried forward to the site suitability assessment:
- West Midlands Interchange;
  - Land north of the A5, Gailey Lea;
  - Land to the north of Redhill, ST18 9SP;
  - Land east of Wolverhampton Road; and
  - Kingswood Lakeside Extension 2.
- 8.39 A proforma has been prepared for each site to summarise the site suitability assessment. The proformas detail the scoring of the site against each of the criteria and provide an overall comment on the site's suitability for a major employment development, and the overall suitability of the site for development. For completeness, a site suitability proforma has been prepared for the site at Gailey Lea.
- 8.40 The five-site suitability assessment proformas are set out at Appendix 2. The results of the site suitability assessments are summarised in Table 8.2.

## Summary of Results

Table 8.2 Summary of Site Suitability Assessment

No.	Site	Overall Comments	G	A	R
N/A	Land at Gailey Lea Farm	The site is in close proximity to the motorway, and the proposed West Midlands Interchange. Excluding the West Midlands Interchange, Gailey Lea is the largest site available. The site is not located nearby to any sensitive land uses. However, the site is adjacent to two SBI' and performs less well on local accessibility and proximity to existing industry.	4	2	2
3	West Midlands Interchange	The site is located close to the motorway and has good local access with the nearest bus stop located adjacent to the western boundary of the site. It is big enough to accommodate a nationally significant infrastructure project. On paper the West Midlands Interchange outperforms the Land at Gailey Lea Farm. However, the site is already a draft allocation within the South Staffordshire Publication Plan and has been granted planning permission for the West Midlands Interchange. Therefore, the site does not provide a realistic alternative to the Land at Gailey Lea Farm.	5	2	1
10	Land north of the A5, Gailey Lea	The site is located close to the motorway and the West Midlands Interchange. The nearest bus stop is located 1km away. However, the site is significantly smaller than the land at Gailey Lea Farm. Furthermore, the canal conservation area runs between the two land parcels of land that make up the site. The site also performs less well against proximity to existing industry. It does, though perform nearly as well as Gailey Lea Farm.	3	2	3
16	Land to the north of Redhill, ST18 9SP	The site is located near to the motorway but is located at a distance from the proposed West Midlands Interchange. On paper, the site outperforms the Land at Gailey Lea. However, the site is already a draft allocation within the Stafford Preferred Options Document and therefore does not provide a realistic alternative to the Land at Gailey Lea Farm.	5	1	2
8	Land east of Wolverhampton Road	The site is located near to the M6 Toll, and the nearest bus stop can be found adjacent to the site. The nearest existing employment area is within 85m of the site. However, the site is located at a distance from the forthcoming West Midlands Interchange and is considerably smaller than the Land at Gailey Lea. Furthermore, there is an SSSI located adjacent to the site.	5	1	2
13	Kingswood Lakeside Extension 2	The site is in close proximity to existing industry and warehousing uses but is located at a distance from the proposed West Midlands Interchange. The site is adjacent to an SBI. Whilst the site performs relatively well, it is already a draft allocation within the Cannock Chase Regulation 19 Plan. Therefore, the site does not provide a realistic alternative to the Land at Gailey Lea Farm.	3	3	2

- 8.41 The alternative site assessment has demonstrated that the Land at Gailey Lea Farm performs well against the established criteria. It is positioned in a highly advantageous location, with good access to the motorway and the forthcoming West Midlands Interchange.
- 8.42 Whilst the West Midlands Interchange scores highly, the site is already allocated to meet local and regional needs. Furthermore, the Land to the north of Redhill and the Kingswood Lake extension are allocated to meet indigenous needs in emerging plans. Therefore, whilst these sites perform well, they are not realistic alternatives to the Land at Gailey Lea Farm.
- 8.43 In this assessment only one site is therefore comparable to the Land at Gailey Lea Farm, with the Land east of Wolverhampton Road performing slightly better against the criteria. However, it should be noted that the site only marginally passed the minimum requirement regarding topography. The South Staffordshire Economic Strategy & Employment Site Assessment Topic Paper states that the “*site poses topographical concerns*”. The site is

furthermore located nearby the M6 toll rather than the wider Strategic Road Network. In this context, the Land at Gailey Lea Farm represents the most appropriate location for a large employment development that can capitalise on its proximity to the SRN and the forthcoming WMI.

## **Summary**

- 8.44 The alternative site assessment has reviewed the suitability of alternative locations across the FEMA and options to accommodate a large scale B2 / B8 industrial / logistics development. The assessment identified 16 sites which met the minimum WMSES threshold of 25ha. The sites were then assessed against minimum site requirements, with 5 sites carried forward to the site suitability assessment.
- 8.45 The suitability assessment has demonstrated that the Land at Gailey Lea Farm is the most suitable location for a large employment development. Three of the sites assessed were draft allocations within emerging local plans and therefore were not suitable alternatives to the Land at Gailey Lea Farm. Whilst the Land east of Wolverhampton Road marginally outperformed Gailey Lea in the assessment, constraints regarding topography and the sites' location in relation to the SRN, make Gailey Lea Farm a more appropriate location for a large employment development.

## 9.0 Conclusion

- 9.1 This Employment Land Needs Assessment Technical Note has been prepared in the context of Richborough's land interests at Land at Gailey Lea Farm, Gailey Lea Lane, South Staffordshire. Overall, this could contribute 87 ha, or 228,000 sqm of high-quality B8/Logistics floorspace, together with attractive open space, other supporting infrastructure and a visual buffer of planting along the northern Site edge to create a defensible boundary.
- 9.2 The report is provided to supplement and assess the South Staffordshire EDNA work undertaken by SPRU in June 2022 to ensure that the emerging Local Plan's employment evidence is robust and justified and meets the test of soundness. The fact that South Staffordshire District Council has commissioned up-to-date evidence on employment land needs is welcomed, as is the relatively positive market commentary in that document.
- 9.3 Furthermore, Richborough welcomes the Council's commitment to contributing a proportion of its employment land supply to meet the wider unmet needs of the Black Country and the recognition that the WMI makes a much wider contribution to strategic logistics requirements across the region. However, it is not necessarily within the Council's gift to apportion the WMI to neighbouring authorities as it sees fit. As acknowledged by the Stage 2 EDNA (Figure 4.3) and Topic Paper (Para 3.18), the WMI will play a regional role. Indeed, the BCAs '*West Midlands Strategic Rail Freight Interchange Employment Issues Response Paper – Whose need will the SRFI serve?* (February 2021)' ("the SRFI study") has shown that it would serve c.67 ha of the Black Country's employment needs when excluding South Staffordshire. Therefore, only c.5 ha of the WMI would be available to meet the needs of South Staffordshire.
- 9.4 Even if it were accepted that the Council could distribute some of the employment land arising from the WMI to other authorities, there would still be an acute unmet need for employment land within the BCAs. Other studies referenced in this report suggest that there is an unmet need for 73.64 ha for Birmingham City (potentially rising to 98 ha if certain adjustments are made) and between 212 and 232 ha of employment land for the Black Country (falling to 140-153 ha taking into account Shropshire's contribution and the WMI).
- 9.5 The WMSESS concludes that there is an urgent need to identify a pipeline of new Strategic Employment Sites across the region to meet needs beyond the 7.41 years (or less) of supply that exists in allocations and committed sites. For the Black Country and South Staffordshire 'key location', this increases to 8.17 years. Excluding industry promoted sites without an allocation, this falls to just 3.23 years for Area 4 which South Staffordshire is located within.
- 9.6 The scale of the BCAs unmet need is such that Richborough considers that there is a cogent argument for the Council to accommodate further employment growth within the District, as it is unlikely that this could be accommodated elsewhere within the FEMA.
- 9.7 In this regard the South Staffordshire EDNA forecasts an objectively assessed need for 63.6 ha of office and industrial/warehousing land between 2020-2040. Set against a forward supply of 99 ha, the EDNA calculates that a total of around 51.71 ha (37.5 +14.1) is potentially attributable to requirements based on labour demand and allowances for higher take-up based on strategic sites using past trends. SPRU considers that this indicates a potential contribution towards the unmet needs of neighbouring authorities from the

Strategic Sites pipeline would be 36.6 ha plus the WMI contribution. As a consequence, the report concludes that the District has sufficient supply to meet its own employment land needs, together with making a 'proportionate contribution' to unmet needs in the Black Country.

9.8

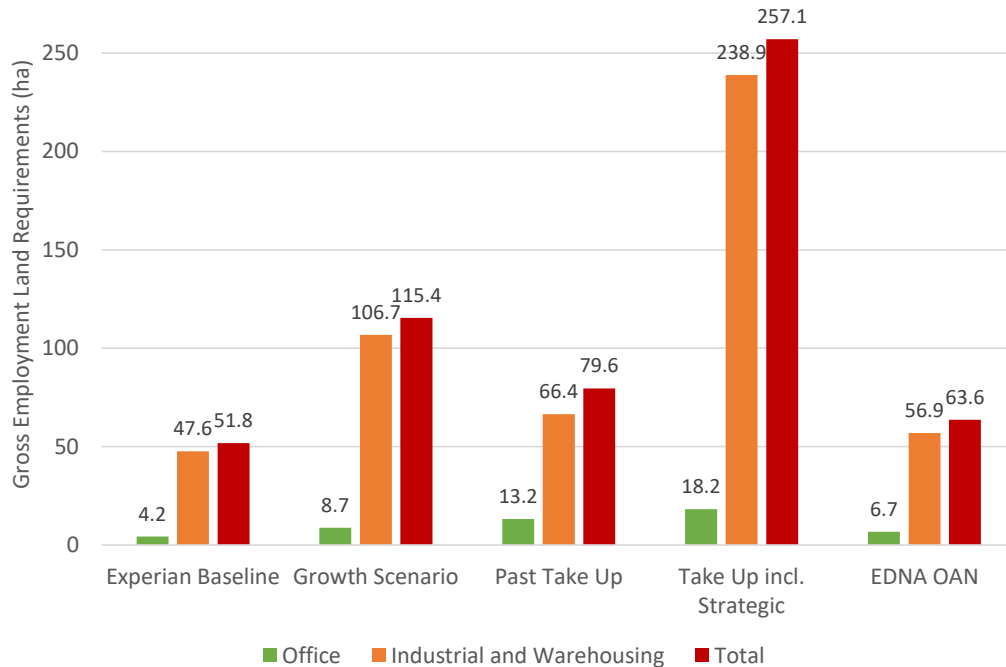
We disagree with this conclusion and consider that the objectively assessed need forecast, of 63.6 ha over the period 2020-2040, is inadequate to address the pent-up demand and risks suppressing the District's economy for years to come. Furthermore, we disagree that the provision of 36.6 ha and the WMI represents a 'proportionate' contribution to meeting wider unmet needs across the FEMA. The calculation is excessively complicated and relies on mixing and matching projections. Our concerns are wide-ranging but include the following key points:

- There are inconsistencies/errors in the modelling and clear omissions in the modelling (particularly relating to the exclusion of a vacancy adjustment, the lack of a margin of choice in the past completions scenario, the scale of loss replacement and the adjustment for homeworking) that would increase the overall requirement significantly;
- The completions trend scenario significantly underplays the true scale of need by excluding a margin of choice and the substantial levels of strategic sites that have come forward in recent years;
- Logistics is under-represented in the modelling and the forecasting does not reflect the substantial recent growth in the sector in recent years nor the market intelligence which points to identified shortfalls in available industrial floorspace in South Staffordshire of all sizes and unprecedented demand for large logistics in this prime location;
- The Growth Scenario is not aspirational enough and should apply a percentage growth rate to the District-level figure. The current approach suppresses logistics needs compared to recent trends;
- The WMI is an important contributor to wider strategic needs but it is not the role of this EDNA to attempt to quantify how much of its land actually contributes to the needs of South Staffordshire District – this has already been calculated on a consistent basis for the wider region. The resultant figure, of 5 ha, is far below the EDNA's 18.8 ha calculation;
- SPRU's approach to calculating strategic needs assumes that the Experian-based Growth Scenario factors in all of the strategic requirement, when this is not the case – the very modest addition of 44 jobs per annum to uplift the Transport & Storage sector growth is insufficient to meet likely future growth needs and should be significantly in excess of that figure.
- The EDNA's identification of 36.6 ha unmet need contribution from the current supply is unfounded. The calculation is based on past trends completions that do not include 'true' strategic take up from JLR, Amazon and Gestamp, and bakes in strategic needs of just 0.2 ha of B8 logistics;
- Fundamentally the EDNA does not model the strategic employment land needs of the FEMA as a whole and then attempt to justify South Staffordshire's contribution. That should be the remit of a wider strategic study. Until that exercise is completed, it cannot be said with conviction that 36.6 ha plus the WMI represents a 'proportionate' contribution to meeting wider needs across the FEMA.



- 9.9 To address these concerns, we undertook our own modelling, mirroring the EDNA’s approach where appropriate to flag up correctable errors in the methodology. Our detailed analysis, with appropriate adjustments made to vacancy rates, a margin of choice, loss replacement and uplifting the growth sectors by the CAGR, results in a significant increase in the requirement. The amended Experian baseline starting point equates to 52 ha, rising to **115 ha for the Growth Scenario** if suitable adjustments are made to allow for success in attracting jobs based on the LEP’s growth sectors and logistics. The equivalent figures would increase to between 96 ha and 160 ha if a higher margin of choice is factored in to reflect strategic site delivery.
- 9.10 We consider that this is essentially a policy driven, pro-growth vision for South Staffordshire District that is not addressing unmet need from adjoining districts in any substantive way. As a result, any unmet need from the Black Country / Birmingham or elsewhere in the West Midlands would need to be **additional** to this requirement.
- 9.11 By way of further comparison, the past take up scenarios show the scale of land that would need to be provided if the District’s recent success in attracting large scale inward investment from the likes of JLR, Amazon and Gestamp is replicated in the future. The lower end of the past take up range equates to 80 ha and would address primarily localised needs, excluding substantial investments of the kind that have driven job growth in the District so impressively over the past five years or so. The upper end of the past take up range, at 257 ha, seems large for a District of South Staffordshire’s size but reflects the opportunities on offer in the District and the potential to accommodate substantial levels of unmet need from adjoining areas such as the Black Country.

Figure 9.1: Employment land requirements in South Staffordshire District 2020-2040 (ha)



Source: Lichfields’ Analysis

- 9.12 In this context, the alternative site assessment demonstrated that the Land at Gailey Lea Farm is the most suitable location for a large employment development. The assessment looked to identify sites that met a minimum site area of 25 ha, based upon the definition of ‘Strategic Employment Land’ set out in the WMSES (2021). The assessment identified 16 sites which met this minimum threshold. These sites were then assessed against minimum

site requirements such as, inter alia, being outside of flood zone 3 and being in close proximity to a motorway. Five sites were then carried forward to the site suitability assessment. Three of the five sites were draft allocations within emerging local plans and therefore were not considered to be alternatives to the Land at Gailey Lea Farm. Of the two other sites identified, the Land at Gailey Lea Farm was marginally outperformed by the Land east of Wolverhampton Road. However, the site has topographical concerns and is located nearby the M6 toll rather than the wider SRN. In this context, it is considered that the Land at Gailey Lea Farm is a more suitable site for a large employment development.

- 9.13 If allocated, Richborough would deliver a high-quality development on Land at Gailey Lea Farm to the east of the M6 and north of the A5, which could contribute 87 ha, or 228,000 sqm of high-quality B8/Logistics floorspace. This is located at the heart of the Area 4 'Key location' identified in the WMSESS which **has just 3.23 years' supply** based on 323 ha of allocated sites. It would therefore have a very significant role to play in meeting some of South Staffordshire's indigenous needs as well as contributing towards meeting the very substantial unmet strategic logistics needs across the Black Country and beyond.

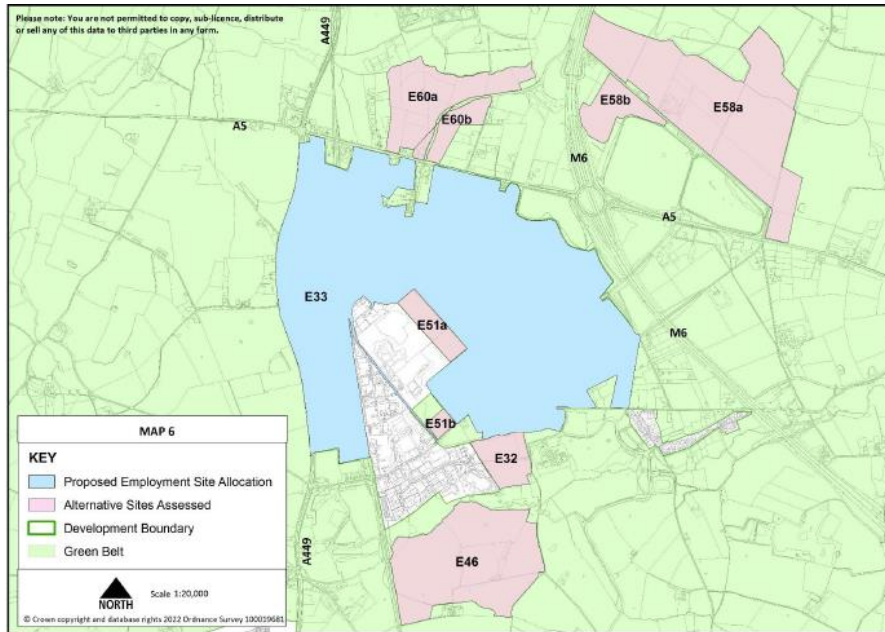
## Appendix 1 Minimum Requirements Assessment

Site No.	Site Name	Minimum Requirements Assessment Result	Justification
N/A	Land at Gailey Lea Farm	Carried forward to the Site Suitability Assessment	The site is in close proximity to J12 of the M6. It is outside of Flood Zone 3 and existing land levels vary less than 35m.
<b>South Staffordshire</b>			
1	ROF, Featherstone	Discounted	Part of the site falls within Flood Zone 3
2	Land south of Junction 13 of the M6	Discounted	Part of the site falls within Flood Zone 3
3	West Midlands Interchange	Carried forward to the Site Suitability Assessment	The site is outside of Flood Zone 3 and J12 of the M6 is adjacent to the northeast boundary of the site. There is less than a 35m variation in existing land levels.
4	Land between ROF Featherstone and A449	Discounted	Part of the site falls within Flood zone 3
5	Land north of Bognop Road	Discounted	The site has variations in existing land levels that exceed 35m. The site was previously used as a quarry and there are concerns about remediation costs.
6	Land at Junction 11 M6, Hilton Park	Discounted	Part of the site falls within Flood zone 3
7	Upper Pendeford Farm	Discounted	The site is located 3.5km northeast of J2 of the M54. It is therefore more the 1.5km from a motorway junction.
8	Land east of Wolverhampton Road	Carried forward to the Site Suitability Assessment	The site is located 0.6km from J8 of the M6 Toll. The site is outside of Flood Zone 3. Site marginally passes topography requirements.
9	Land at Wall Heath	Discounted	The site is located over 10km from J2 of the M5 and is therefore more than 1.5km from a motorway junction.

10	Land north of the A5, Gailey Lea	Carried forward to the Site Suitability Assessment	The site is located in close proximity to J12 of the M6 and is outside of Flood Zone 3. Existing land levels do not vary by more than 35m.
11	Pendeford Hall Lane	Discounted	Part of the site falls within Flood zone 3
<b>Cannock Chase</b>			
12	Towers Business Park Phase II, Wheelhouse Lane, Rugeley	Discounted	The site is not located within 1.5km of a motorway junction.
13	Kingswood Lakeside Extension 2	Carried forward to the Site Suitability Assessment	The site is located outside of Flood Zone 3,
14	Land at Coalpit Lane, Brereton, Rugeley	Discounted	The site is not located within 1.5km of a motorway junction.
15	Former Brereton Colliery, Colliery Road, Rugeley	Discounted	The site is not located within 1.5km of a motorway junction.
<b>Stafford</b>			
16	Land to the north of Redhill, ST18 9SP	Carried forward to the Site Suitability Assessment	The site is located outside of Flood Zone 3 and in close proximity to J14 of the M6. Existing land levels do not vary more than 35m.

## Appendix 2 Site Proformas

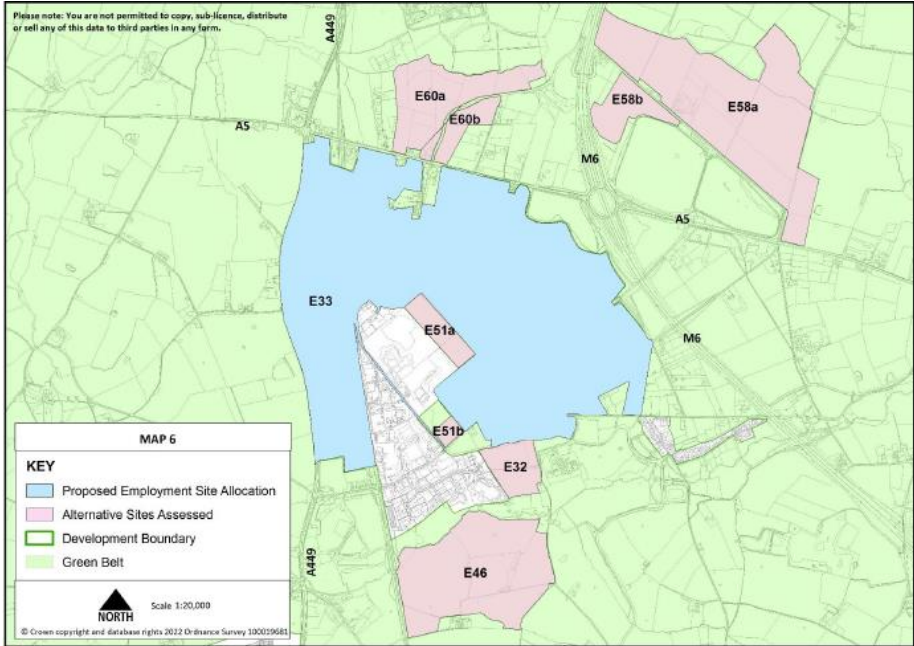
Alternative Sites Assessment	
<b>Site Name:</b> Land at Gailey Lea Farm	<b>Site Area:</b> 87ha
<b>LPA:</b> South Staffordshire	



\*Site E58a/b

### Site Suitability Assessment

Criteria	Comments	Result
Site Size	The site is 87ha making it one of the larger sites assessed.	
Motorway Access	The site is located less than 1km from J12 of the motorway	
Proximity to forthcoming SRFI	The Site is in close proximity to the West Midlands Interchange	
Proximity to industrial and warehousing uses	The site is 400m away from an existing industrial and warehouse development	
Local accessibility	The nearest bus stop is 4.8km away on the A449	
Relationship to settlement pattern/proximity to labour	The site is within 1km of a settlement	
Relationship to other land uses	The site is not within 200m of any sensitive land uses.	
Environmental Designations	The site is adjacent to two SBI's and borders ancient woodland to the north.	

<b>Alternative Sites Assessment</b>	
<b>Site Name:</b> West Midlands Interchange	<b>Site Area:</b> 297
<b>LPA:</b> South Staffordshire	
	
*Site E33	

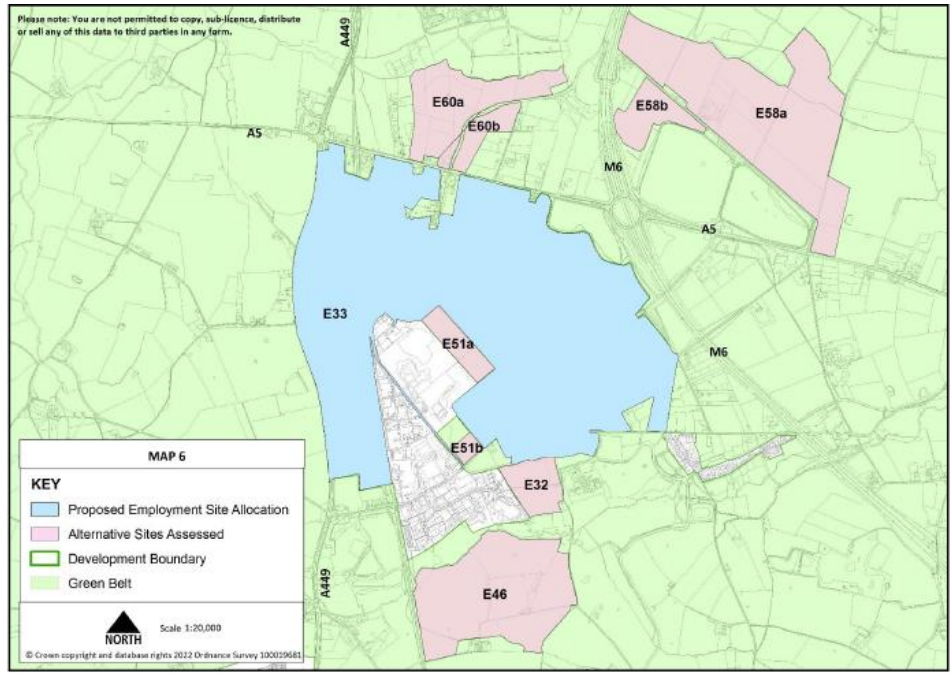
Site Suitability Assessment		
Criteria	Comments	Result
Site Size	The site is 297ha making it the largest site assessed.	
Motorway Access	J12 of the M6 is adjacent to the northeast boundary of the site.	
Proximity to forthcoming SRFI	It is proposed that the forthcoming SRFI is developed here.	
Proximity to industrial and warehousing uses	Part of the site wraps around the northern half of the Four Ashes Strategic Employment Site.	
Local accessibility	The nearest bus stop is adjacent to the western boundary of the site along the A449.	
Relationship to settlement pattern/proximity to labour	The site is located within 1km of a settlement	
Relationship to other land uses	The site is within 100m of a small school.	
Environmental Designations	A SBI is located adjacent to the north east corner of the site. The Canal Conservation Area runs through the site. The Western and Northern end of the site are located within a Mineral Safeguarding Area.	



**Alternative Sites Assessment**

**Site Name:** Land north of the A5, Gailey Lea **Site Area:** 35

**LPA:** South Staffordshire



\*Site E60a/ E60b

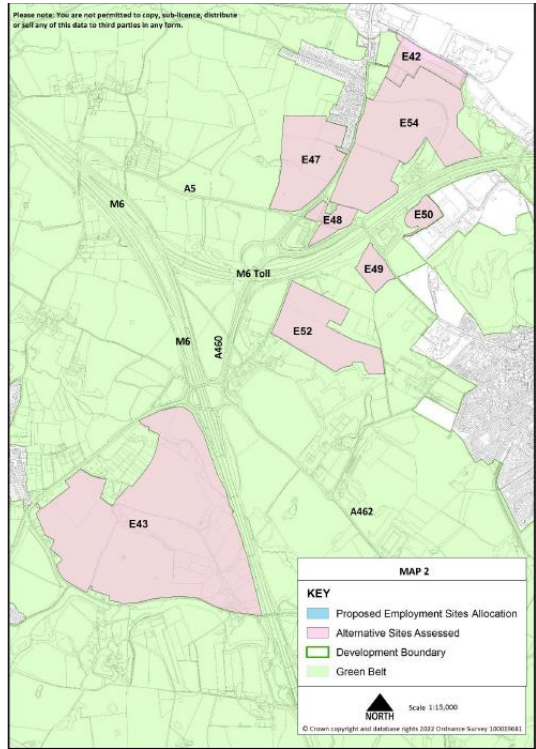
**Site Suitability Assessment**

Criteria	Comments	Result
Site Size	The site is 35 ha	Red
Motorway Access	The site is within 1km of J12 of the M6.	Green
Proximity to forthcoming SRFI	The Site is in opposite the West Midlands Interchange	Green
Proximity to industrial and warehousing uses	The site is over 400m from an existing industrial and warehousing development.	Red
Local accessibility	The nearest bus stop is located 1km from the site	Yellow
Relationship to settlement pattern/proximity to labour	The site is located more than 1km away from an existing settlement.	Red
Relationship to other land uses	The site is not within 200m of a sensitive land use.	Green
Environmental Designations	The Canal Conservation Area runs between the two land parcels.	Yellow

**Alternative Sites Assessment**

**Site Name:** Land to the east of Wolverhampton Road      **Site Area:** 36 ha

**LPA:** South Staffordshire



\*Site E54

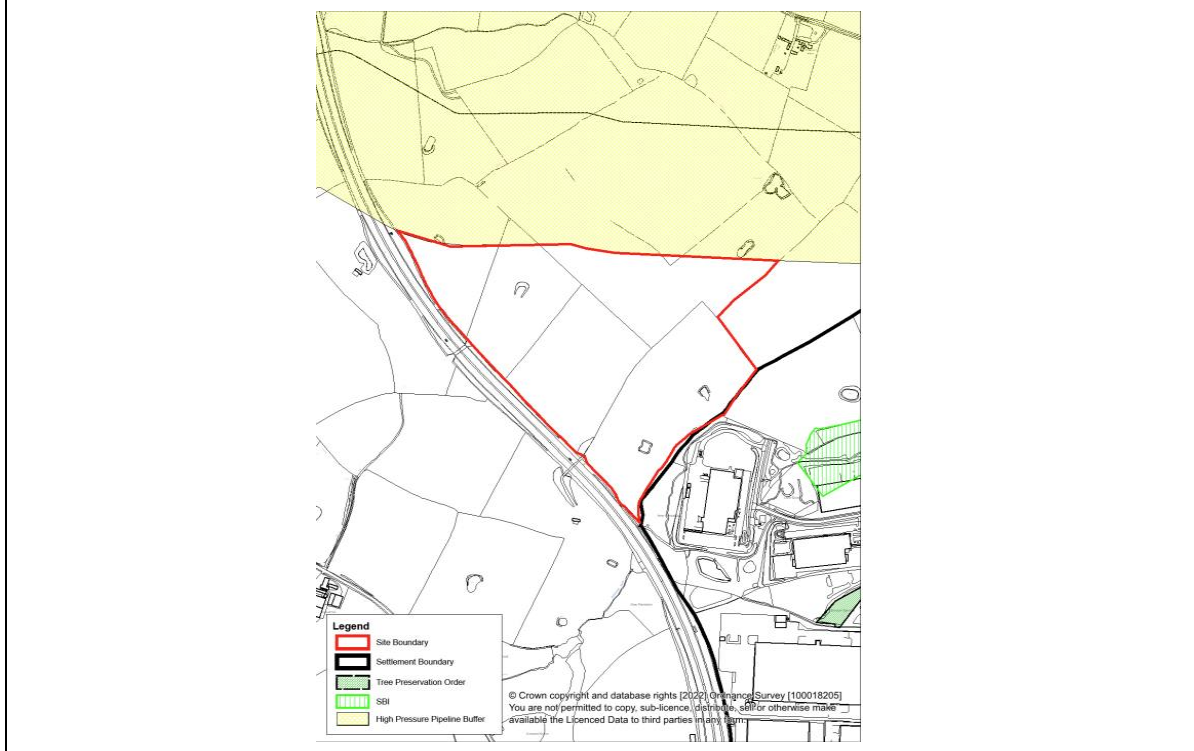
**Site Suitability Assessment**

Criteria	Comments	Result
Site Size	The site is 36 ha.	Red
Motorway Access	This site is located circa 0.6km from J8 of the M6 toll.	Green
Proximity to forthcoming SRFI	The site is located over 2km from the forthcoming SRFI	Red
Proximity to industrial and warehousing uses	The site is located 85m from the Hawkins Drive Industrial Estate Strategic Employment Site	Green
Local accessibility	The nearest bus stop is adjacent to the site on Wolverhampton Road	Green
Relationship to settlement pattern/proximity to labour	The site is located within 1km of settlement, adjacent to Cannock.	Green
Relationship to other land uses	The site is not within 200m of any sensitive land uses	Green
Environmental Designations	There is an SSSI located adjacent to the site.	Yellow

**Alternative Sites Assessment**


**Site Name:** Land to the north of Redhill, ST18 9SP      **Site Area:** 31.15

**LPA:** Stafford



**Site Suitability Assessment**

Criteria	Comments	Result
Site Size	The site is 31.15 ha	Red
Motorway Access	The site is near J14 of the M6	Green
Proximity to forthcoming SRFI	The site is more than 2km away from the forthcoming SRFI.	Red
Proximity to industrial and warehousing uses	The site is adjacent to existing industrial and warehouse uses.	Green
Local accessibility	The nearest bus stop is located 400m-1km away on Stone Road.	Yellow
Relationship to settlement pattern/proximity to labour	The site is adjacent to the settlement of Stafford	Green
Relationship to other land uses	The site is not located nearby any sensitive land uses.	Green
Environmental Designations	The site has no environmental designations.	Green

Alternative Sites Assessment		
<b>Site Name:</b> Kingswood Lakeside Extension 2		<b>Site Area:</b> 21.5 ha
<b>LPA:</b> Cannock Chase		
		
Site Suitability Assessment		
Criteria	Comments	Result
Site Size	The site is 21.5 ha and is the smallest site assessed	Red
Motorway Access	This site is located within 1.5km of the M6 Toll	Yellow
Proximity to forthcoming SRFI	The site is located more than 2km from the SRFI	Red
Proximity to industrial and warehousing uses	The site is adjacent to existing industrial/ warehousing uses	Green
Local accessibility	The nearest bus stop is located at Kingswood Lakeside Employment Park, adjacent to the site.	Green
Relationship to settlement pattern/proximity to labour	The site is within 1km of a settlement	Yellow
Relationship to other land uses	The site is not located within 200m of any sensitive land uses	Green
Environmental Designations	The site is adjacent to an SBI	Yellow

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**Birmingham**

0121 713 1530

birmingham@lichfields.uk

**Edinburgh**

0131 285 0670

edinburgh@lichfields.uk

**Manchester**

0161 837 6130

manchester@lichfields.uk

**Bristol**

0117 403 1980

bristol@lichfields.uk

**Leeds**

0113 397 1397

leeds@lichfields.uk

**Newcastle**

0191 261 5685

newcastle@lichfields.uk

**Cardiff**

029 2043 5880

cardiff@lichfields.uk

**London**

020 7837 4477

london@lichfields.uk

**Thames Valley**

0118 334 1920

thamesvalley@lichfields.uk



@LichfieldsUK

**lichfields.uk**



## **Appendix 2 Economic Benefits Assessment**

Celebrating  
**60**  
years

**Land to the East of J12/ Gailey  
Lea, South Staffordshire  
Economic Benefits Assessment**

Richborough Estates Ltd.

1 December 2022

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## **6.0 Conclusions**

## 1.0 Introduction

### Purpose of this Report

- 1.1 This document has been prepared by Lichfields on behalf of Richborough Estates Limited to demonstrate how land to the east of J12 of the M6/Gailey Lea, South Staffordshire District should be brought forward to meet demand for employment land in the area.
- 1.2 This technical report accompanies formal representations to South Staffordshire's Local Plan Review. This includes a Vision document and an Employment Land Needs Assessment [ELNA].
- 1.3 The Council's Economic Development Needs Assessment [EDNA] (prepared by spru, June 2022) has recently been published. Whilst a more detailed critique of this report is included in the accompanying ELNA referred to above, the report identifies a total objectively assessed need of 63.6 ha including 31.6 ha within Use Class B8, taking account of providing additional flexibility for demand within the Transport and Storage sector.
- 1.4 South Staffordshire District Council has acknowledged as part of its emerging Local Plan Review that in order to meet these growth requirements, it is likely that it will need to make provision for the strategic release of land from the Green Belt, which we welcome as a pragmatic approach to the problem.
- 1.5 It is our view that the proposed development site on land at Gailey Lea Farm, east of the M6 at Junction 12, is ideally located to meet these needs and should be released from the Green Belt accordingly in the forthcoming Local Plan Review.
- 1.6 This report sets out the significant economic benefits that could accrue from the potential redevelopment of the site for c.240,000 sqm GIA of B8 employment floorspace including ancillary office space.

### Site Description

- 1.7 The site falls within the administrative boundary of South Staffordshire District Council ('the Council'). It comprises c.87 hectares [ha] of greenfield and brownfield land, currently utilised as agricultural fields, agricultural farms and associated buildings. The site is situated north of the A5 and broadly extends from the western edge of Cannock to the M6. The site can also be broadly separated into two areas of land; land adjacent to Cannock (east) and land adjacent to the M6 (west).
- 1.8 The site falls outside of any defined settlement boundaries, and therefore is located within the Open Countryside. It is allocated as Green Belt land in the adopted Local Plan.



Figure 1.1 Site Location Plan



Source: Lichfields

- 1.9 The surrounding area for the site could be generally characterised as agricultural, with several large rural dwellings/farms within the area. However, to the south-west of the site beyond the M6, is the location of the recently approved<sup>1</sup> c.300 ha West Midlands Interchange [WMI]. This comprises an intermodal strategic rail freight interchange terminal [SRFI], c.743,200 sqm of rail-served warehousing floor space, a modest amount of space for ancillary buildings and storage areas, along with at least 108 ha of on-site Green Infrastructure.
- 1.10 The Illustrative Masterplan (Figure 1.2) sets out the delivery of approximately 240,000 sqm [GIA] of B8 employment floorspace set within a strong green infrastructure and landscape framework, retaining existing and identifying additional woodland planting, and creating new pedestrian/cycle linkages to facilities and services within Gailey Lea.

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<sup>1</sup> A Development Consent Order application was submitted to the Planning Inspectorate on 3 August 2018 and approved by the Secretary of State [SoS] in May 2020.

Figure 1.2 Illustrative Site Masterplan



Source: Nineteen47 on behalf of Richborough Estates

1.11 The surrounding

## Purpose of This Report

1.12 This Economic Benefits Assessment focuses on the potential economic and fiscal benefits that could arise from developing the site for a strategic B8 logistics facility capable of meeting both indigenous and wider strategic demand for 'big box' warehousing.

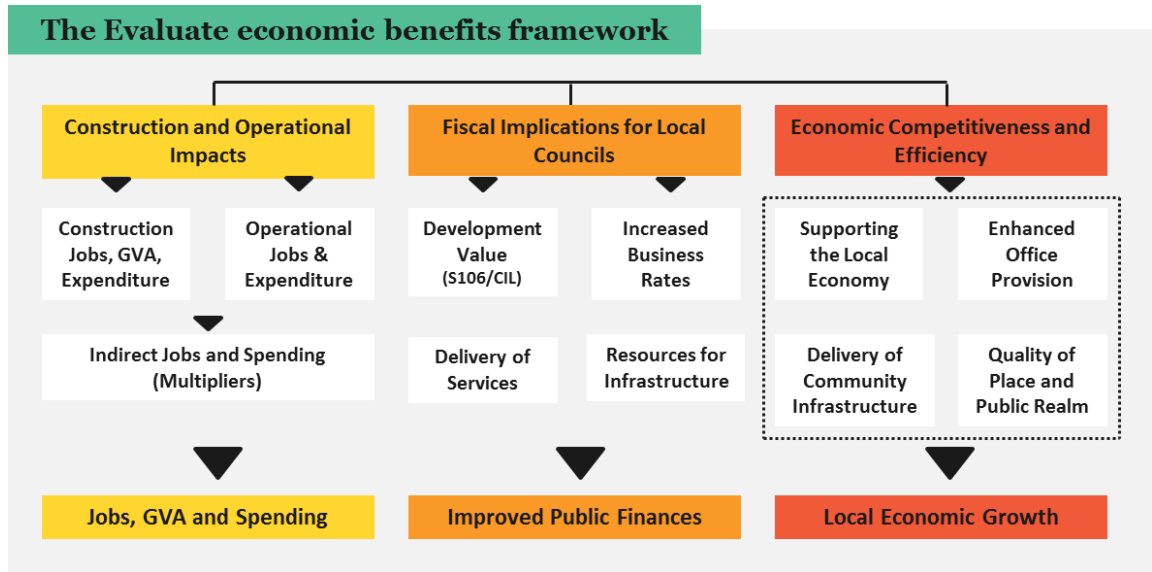
1.13 This Economic Benefits Assessment models the following scenario:

- **228,075 sqm [GIA]** of B8 strategic logistics uses, including ancillary office space (c. 7% of the total floorspace) across a number of standalone units.

## Study Framework

1.14 This report draws upon the eVALUATE methodology developed by Lichfields, which provides an analytical framework for assessing the economic benefits arising from new developments. This framework, as it relates to the assessment of Land at Gailey Lea Farm, is shown in Figure 1.3.

Figure 1.3 Evaluate Analytical Framework



Source: Lichfields

1.15 The analysis focuses first on the key quantifiable effects of the potential development scenarios over the construction phase and upon completion before considering some of the wider qualitative effects of the development scheme in the context of supporting growth and prosperity in the local area more generally.

1.16 For B-Class employment schemes the scale and type of economic impacts are typically determined by:

- The scale of capital investment in the scheme, which generates employment and economic output during the construction phase;
- The area of commercial or community floorspace supported in the scheme that provides new employment opportunities in the area; and
- The extent to which the proposed scheme will contribute to the public finances through business rates.

## Report Structure

1.17 This report is structured as follows:

- **Section 2.0** sets out the socio-economic baseline context of the site and surrounding area;
- **Section 3.0** summarises the potential economic effects arising from the site over the operational phase;
- **Section 4.0** summarises the operational impacts upon completion of the development;
- **Section 5.0** sets out the economic competitiveness and wider impacts of the proposed development; and,
- **Section 6.0** sets out the key conclusions of the assessment.

## 2.0 **Socio-Economic Context**

### **Introduction**

- 2.1 This section provides analysis of demographic, labour market and other socioeconomic data to develop a picture of South Staffordshire District's economy today, how it has changed in the recent past and how it is expected to change over the emerging Local Plan period.
- 2.2 To align with the South Staffordshire EDNA published by spru in 2022, the comparator areas include South Staffordshire District, the Local Authorities included in the South Staffordshire FEMA (Cannock Chase, Dudley, South Staffordshire, Stafford, Walsall and Wolverhampton), the West Midlands, and England & Wales.
- 2.3 We begin with an overview of the benefits of logistics developments more generally and the growing policy support behind logistics at a national level.

### **The Growth of Logistics in the UK**

Logistics is a critical element of the UK economy, both as a generator of employment and output in its own right and as a key enabler of economic activity across a broader range of sectors. However, its importance has been heightened in recent years by trends in the retail industry and particularly e-commerce, which have driven forward a significant increase in the demand for often large-scale logistics floorspace in highly accessible locations. However, it has also been driven by a change in how manufacturers distribute goods, as they also have a need for dedicated storage floor space.

- 2.4 At the national level, improved logistics arrangements are referenced within the Government's Industrial Strategy<sup>2</sup> as one of the benefits of working collaboratively across appropriate economic geographies. More locally, research by Lichfields in 2016<sup>3</sup> found that the transport and logistics sector was identified as a priority within 11 Local Enterprise Partnership strategy documents and supported by a number of further, sector-specific, initiatives including Enterprise Zones and City Deals.
- 2.5 The Council's own EDNA includes logistics as a key Growth Sector and reports stakeholders commenting that there has been a trend of unprecedented growth in the commercial property market in South Staffordshire, particularly e-commerce, warehousing and logistics sectors – a trend which has been seen across the country and has been accompanied by increasing rental yields and land values. A number of the strategic employment sites in South Staffordshire are delivering quicker than expected with strong levels of demand, particularly for floorspace within Use Classes B2 and B8 [EDNA 2022, page 94].
- 2.6 The logistics industry therefore plays a vital role in the UK's economy. It generates £77.1bn or 4.2% of the UK's total Gross Value Added [GVA]<sup>4</sup> and employs over 2 million people<sup>5</sup>, equivalent to 5.2% of the UK's employment. To demonstrate the continued pace of growth, a report published from Logistics UK in 2022 states that the industry contributed as much as £127 billion in GVA to the UK economy in 2020 with over 205,000 logistic enterprises across the UK<sup>6</sup>.

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<sup>2</sup> Industrial Strategy: Building a Britain fit for the future, HM Government

<sup>3</sup> Invest to Grow: How Can Planning Support Inward Investment? Lichfields (2016)

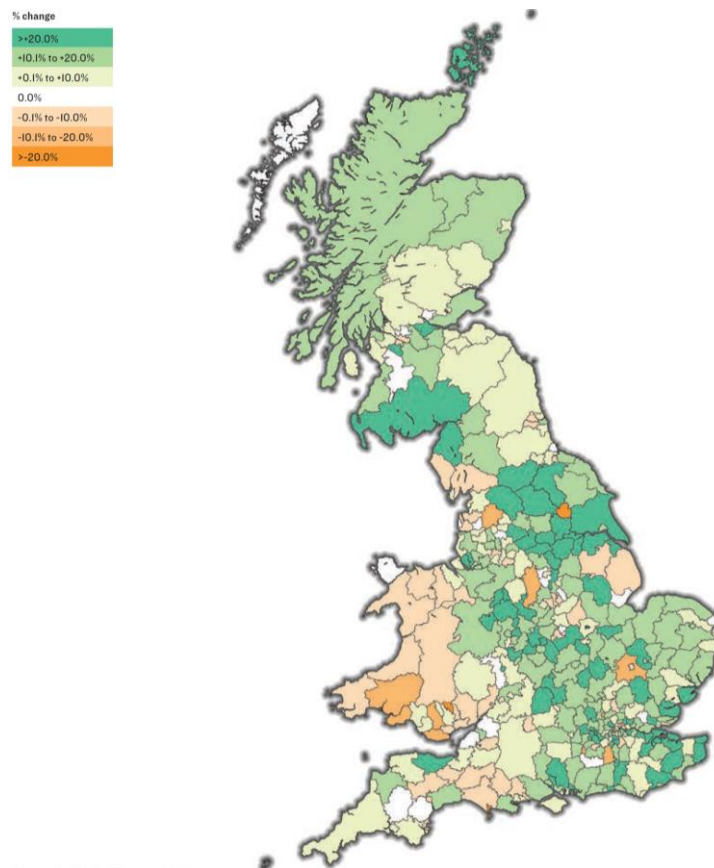
<sup>4</sup> ONS (May 2022): Regional gross value added (balanced) by industry: all ITL regions

<sup>5</sup> Experian (2022) UK Local Market Forecasts

<sup>6</sup> Logistics UK (2022): The Logistics Report Summary 2021.

- 2.7 The logistics industry also enables growth in other business sectors across the economy and is strongly linked to overall growth in Gross Domestic Product (GDP). Logistics moves materials for manufacturing and connects people with goods in shops and to their homes. At the European level, outsourced logistics services add an average of 7.6% to the value of other sectors of the economy<sup>7</sup>.
  
- 2.8 Excluding the recession in 2009 the logistics industry has grown every year since 2003 until 2020 when the effects of the Covid-19 pandemic caused the sector to shrink<sup>8</sup>. Over the last ten years to 2019 the logistic industry’s annual growth rate was 4.0% in the UK, but it was even higher in the West Midlands at 5.1%. Along with the enviable locational attributes of the region from a logistics perspective, this suggests that the region is ideal for locating new logistics development and continuing to capture the benefits of the sectors growing economic importance.
  
- 2.9 It can be seen from Figure 2.1 that growth has been particularly strong in Yorkshire, the Midlands and the South East. Interestingly, whilst growth has typically been modest within major cities, high growth has been observed in those authorities surrounding locations such as Leeds, Sheffield, Birmingham and Oxford. This highlights the need to consider cross-boundary issues when planning for the future employment space needs associated with the growth of logistics.

Figure 2.1: Percentage change in Logistics Employment 2010-2018



Source: Lichfields, Experian 2018

<sup>7</sup> European Commission (January 2015) Fact-finding studies in support of the development of an EU strategy for freight transport logistics – Lot 1: Analysis of the EU logistics sector  
<sup>8</sup> ONS (May 2022): Regional gross value added (balanced) by industry: all ITL regions



- 2.10 A significant trend that has been driving change in the logistics industry is the rising role of online shopping and the associated consumer expectations for flexibility. Online retailers benefitted from a year-on-year increase in sales of 9.1% to £76bn in 2018, with online retail taking a 17.8% share of all retail sales in 2018 (rising from 10.6% in 2012)<sup>9</sup>. Online sales remained largely static in 2019 at £75.48 billion, though the share of online retail sales increased to 19.2%. The COVID-19 pandemic drastically augmented the growing presence of online retail with total sales rising to £107.3 billion in 2020 and again to £119.6 billion the following year. Given the series of lockdowns across the UK, there is little surprise that the share of online sales rose significantly to 28.9% in 2021.<sup>10</sup>
- 2.11 As well as increasing the number of deliveries, consumers also increasingly expect flexible delivery options, ‘click and collect’ services, and specific delivery times. This generates more demand for the logistics industry and it will continue to grow as consumer behaviour increasingly moves online, with 72.5% of the UK’s population eShoppers – the highest proportion of any comparable country in Europe<sup>11</sup>. Updated data from 2019 and 2020 demonstrate continued growth in the percentage of eShoppers at 75.8% and 76.9%, respectively as the UK maintains its leading status.<sup>12</sup>
- 2.12 Crucially, in order to maximise the economic potential of the logistics sector, it is essential to provide the appropriate accommodation and sites to deliver the required accommodation.
- 2.13 According to its latest Big Shed Briefing, Savills has logged over 200 million sq ft of occupier requirements nationwide in the first half of 2022 – down just 2% compared with the first half of 2021. In terms of take-up of new space, the first half of 2022 reached a new record of 28.6 million sq ft, 90% above the long-term H1 average<sup>13</sup>.
- 2.14 Focusing on the West Midlands, take-up of warehousing space reached 4.57 million sq ft in the first half of 2022, the best H1 ever recorded in the region and 103% above the long-term H1 average. The average deal size in H1 2022 reached around 250,000 sq ft, with 89% of this take-up being for Grade A quality space. The supply of warehouse space over 100,000 sq ft in the region stood at 2.51 million sq ft in July 2022. According to the three-year average annual take-up, this equates to just 0.36 years’ worth of supply. Savills further reports that there are ten units under construction within the West Midlands totalling 2.22 million sq ft<sup>14</sup>.
- 2.15 Overall, whilst the economy has entered a difficult period following the pandemic, there has been a step change in consumer habits and distribution networks that have seen market demand for high quality logistics space continue to go from strength to strength. This is particularly the case in the West Midlands where take-up remains at record levels, presenting opportunities to capture future growth for authorities such as South Staffordshire. As such, it is vital that sites to accommodate this strategic demand are taken forward.

---

<sup>9</sup> Centre for Retail Research Total Online Retail Sales 2018-2021 <https://www.retailresearch.org/online-retail.html>

<sup>10</sup> Ibid

<sup>11</sup> Ibid

<sup>12</sup> Centre for Retail Research Total Online Retail Sales 2019-2021 <https://www.retailresearch.org/online-retail.html>

<sup>13</sup> Savills (July 2022): Big Shed Briefing

<sup>14</sup> Savills (July 2022): The logistics market in the West Midlands



## Jobs within the Logistics Industry

- 2.16 The logistics sector is a key employer nationally; however, the sector is often mistakenly believed to only provide low skilled, basic jobs and is often erroneously associated with zero-hours contracts. A wide range of jobs are actually supported in the sector, both in warehouse and office environments. While traditional warehouse roles are common, logistics activities also offer and increasingly require positions in managerial, administrative and high-tech occupations including electrical and mechanical engineering and IT roles.
- 2.17 Research by Prologis found that office-based jobs in the industry have continued to rise in recent years<sup>15</sup>, and the sector has been found to have an above national average representation of managers, directors, senior officials and administrative and secretarial jobs, particularly in large-scale logistics handling<sup>16</sup>.
- 2.18 Similarly, research by the British Property Federation [BPF] in 2022 demonstrates the continued rise in the number of intermediate roles and technology occupations<sup>17</sup> with an above national average representation of managers, directors, senior officials and administrative and secretarial jobs, particularly in large-scale logistics handling<sup>18</sup>. The report also highlights a profound level of growth in logistics jobs with the number of jobs growing 26% from 2010 to 2020, compared to 14% overall job growth across all sectors.
- 2.19 As a consequence of the wide-range of high skilled jobs within the industry, a report from the BPF challenges the perception of only low pay job opportunities in the logistics sector. It showed that medium salaries in the sector are around £6,700 higher than the average for all sectors, at £31,600 compared to £24,900 – an increase from £28,000 in 2014. Furthermore, there are several logistics sub-sectors where average salary exceeds that of £35,000 a year.<sup>19</sup>
- 2.20 The logistics sector is therefore modernising and pushing technological boundaries to meet rising demand and supply challenges, and this is reflected in higher salaries and rapidly increasing productivity levels amongst employees that will generate real benefits locally.
- 2.21 **This modernisation of processes and diversification of roles within the sector requires increasing levels of flexibility across a range of B-class employment uses within large-scale logistics centres.**

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<sup>15</sup> Prologis (2015) Distribution warehouses deliver more jobs

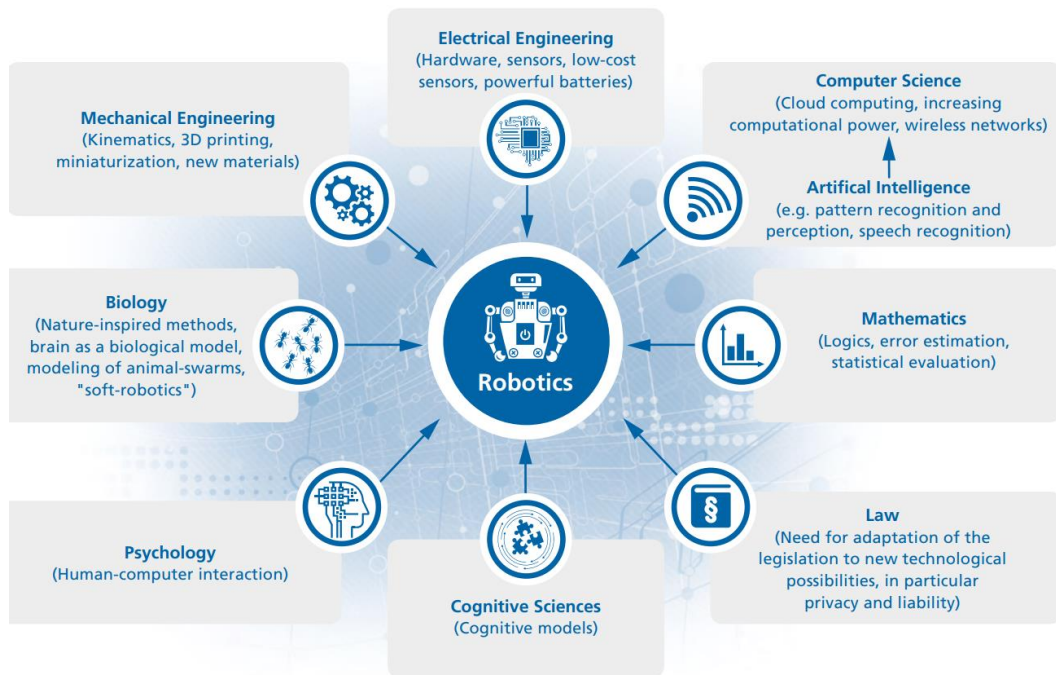
<sup>16</sup> Census (2011)

<sup>17</sup> BPF (2022): Levelling Up – the Logic of Logistics

<sup>18</sup> Census (2011)

<sup>19</sup> BPF (2020): Delivering the Goods

Figure 2.2: The world of advance robotics in Logistics



Source: Deutsche Post DHL Group

2.22 The sector is also highly productive, with a GVA per job of £58,000, 12% higher than the average of all sectors<sup>20</sup>. Furthermore, the sector’s productivity is expected to increase by 29% from 2025 to 2039 compared to 18% across the UK economy as a whole. This is vital given the longstanding issues with labour productivity in the UK, which lags behind many of its western European counterparts in this regard.

2.23 The logistics sector is clearly a major contributor to the UK economy and has been growing at a much faster rate than other sectors. It is increasingly high value, both in terms of its productivity and also in the skills set required for its employees, which is reflected in higher-than-average wages for logistics employees and increasingly technology-focused skills. The Black Country and West Midlands are particularly well placed from the growth in logistics and advanced manufacturing more generally, although there are comparatively few sites in the pipeline that are available to meet this wider, footloose need.

2.24 The proposed development site would go some way towards addressing this strategic need for logistics across the wider sub-region, given its excellent location at the heart of the strategic road network, its proximity to suitably skilled staff and accessibility to local residents in South Staffordshire, Cannock Chase and Stafford in particular.

2.25 These two strands of need are clearly related, with policy makers acknowledging the benefits of pursuing an increase in logistics and an acceptance that this can only be achieved through the release of large-scale tracts of flat, developable land to provide much needed flexibility and responsiveness to the portfolio. Together they combine to present a strong need case for the proposed allocation.

<sup>20</sup> BPF (2022): Levelling Up – the Logic of Logistics

## Future of Freight Plan (2022)

- 2.26 Central Government support for the logistics sector was emphasised in the recent *Future of Freight* document published by the Department of Transport (June 2022), which clearly establishes the Government's positive attitude towards the role of logistics in the UK economy.
- 2.27 The Future of Freight Plan is, in part, a response to the aftermath of the COVID-19 pandemic, as well as the transition to a new working relationship with the European Union. It sets out a vision to meet current needs across the U as well as to meet future commitments to net-zero, changing consumer trends, and the rise of new technology.
- 2.28 The Future of Freight Plan identifies as a key goal the need for a planning system which fully recognises the needs of the freight and logistics sector now and in the future and empowers the relevant planning authority to plan for those needs:
- "To achieve this, the planning system needs to ensure that sufficient land is being made available in the right places for freight operations and that it is able to respond to the changing needs of the freight and logistics sector such as how to plan for the adoption of future vehicle technologies."* [paragraph 5.1]
- 2.29 The Plan also sets out intentions to achieve a net-zero freight and logistics sector by 2050. The Freight Energy Forum will be established by autumn of 2022 and will:
- 2.30 *"...bring together cross-model freight operators and users, manufacturers, energy infrastructure providers, fuel producers/suppliers, regulators and planning authorities"*.
- 2.31 The role of this group will be to:
- 1 Share energy/fuel infrastructure plans;
  - 2 Continuously evaluate and share non-commercial outputs of technology or fuel trials and research to better inform future predictions for freight and logistics;
  - 3 Engage with the development of the National Freight Network;
  - 4 Ensure freight has a role in developing and responding to wider government fuel, energy and air quality strategies and planning reform;
  - 5 Seek to maximise funding opportunities for freight energy and fuel infrastructure deployment; and
  - 6 Explore regional and local disparities in the coverage of freight energy infrastructure and specific actions to address them.
- 2.32 The Plan states that sites supporting freight activities such as distribution centres often require large amounts of land, need to be strategically located near transport links and most importantly, operate across local authority boundaries.
- 2.33 With this comes a requirement for Local Planning Authorities to ensure the sector is appropriately accommodated with policy documents; the Local Plan should therefore cater for this need.

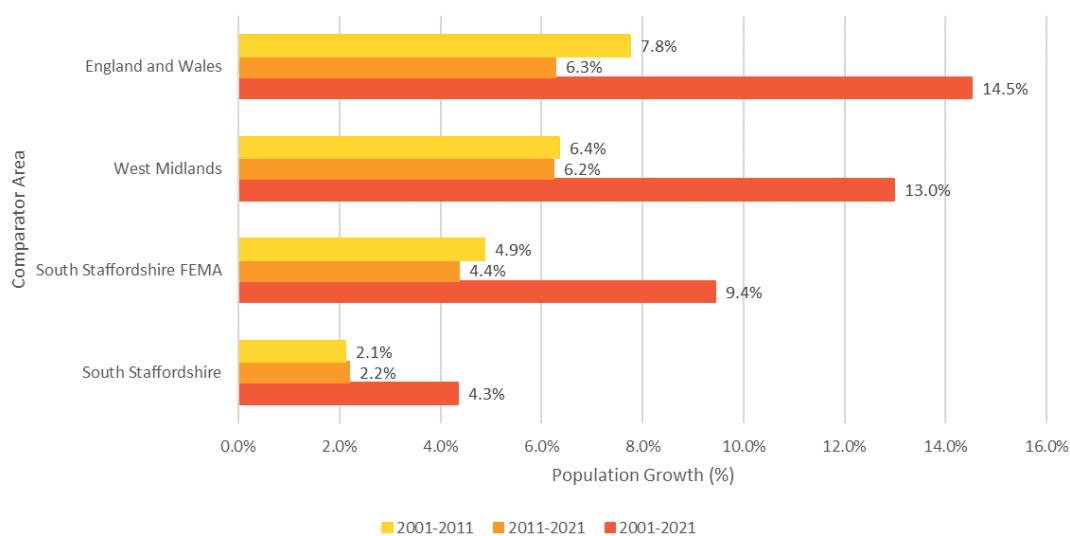
## Socio-Economic Baseline

2.34 This section summarises the key socio-economic characteristics of South Staffordshire District and the wider FEMA, beginning with an overview of the demographic issues that will inform the ability of the local labour supply to take on the roles offered by additional logistics space in the area.

### Population

2.35 Results from the recently published 2021 Census show that the population of the South Staffordshire District grew by 4,604 people, or 4.3%, compared to the 9.4% (105,172) observed across the wider FEMA over the 20-year period 2001 to 2021. This is a lower level of growth than both the regional and national benchmarks across the UK. Population growth across the West Midlands over the period was 13.0% whilst growth across England and Wales stood at 14.5%. As shown in Figure 2.3, all geographies have seen a lower level of population growth in the decade to 2021 than in the decade to 2011 with the marginal exception of South Staffordshire District with a population growth of 2.2% in the years 2011 to 2021 compared to 2.1% the previous decade.

Figure 2.3 Population Growth 2001 - 2021

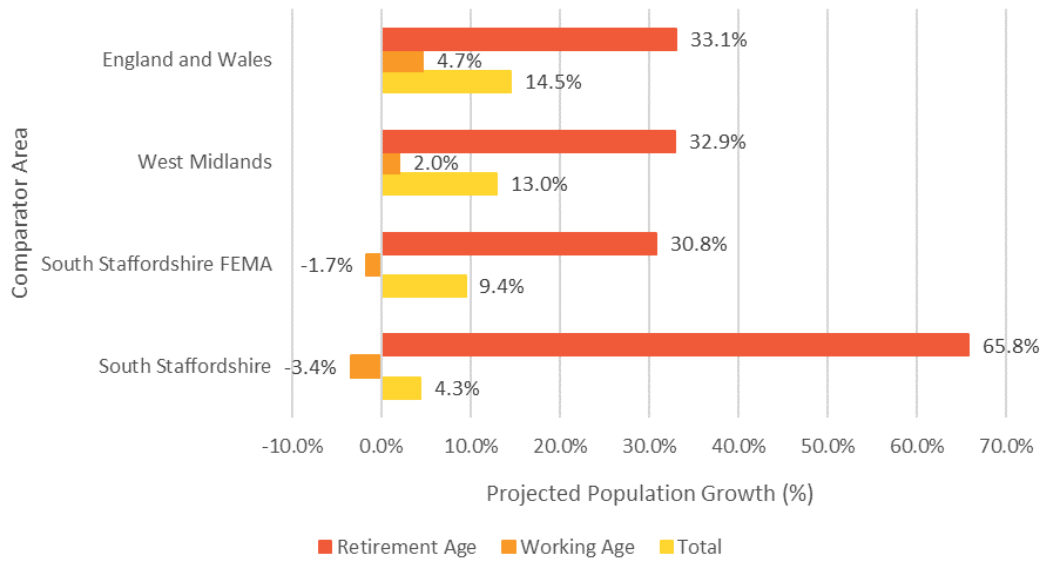


Source: Census 2001, 2011, 2021

2.36 Figure 2.4 plots working and retirement age population growth and shows that across the South Staffordshire District, the working-age population (those aged 20 to 64)<sup>21</sup> has declined by 3.4% since 2001. Consequently, the share of the working age population has fallen relatively sharply, from 60.1% in 2001 to 55.7% in 2021. This trend is also reflected across the South Staffordshire FEMA with the working-age population having declined by 1.7% since 2001. Consequently, the share of the working age population also fell from 63.3% in 2001 to 56.8% in 2021. Conversely, the Census data shows a marked growth in the retirement age population (those aged over 65) of 65.8% across the District and 30.8% across the wider FEMA over the period, with the population share rising from 15.9% and 16.3% in 2001 to 25.2% and 19.5% in 2021, respectively.

<sup>21</sup> 20-64 has been used to ensure consistency across the three Census datasets, as the 2021 set uses different age cohorts.

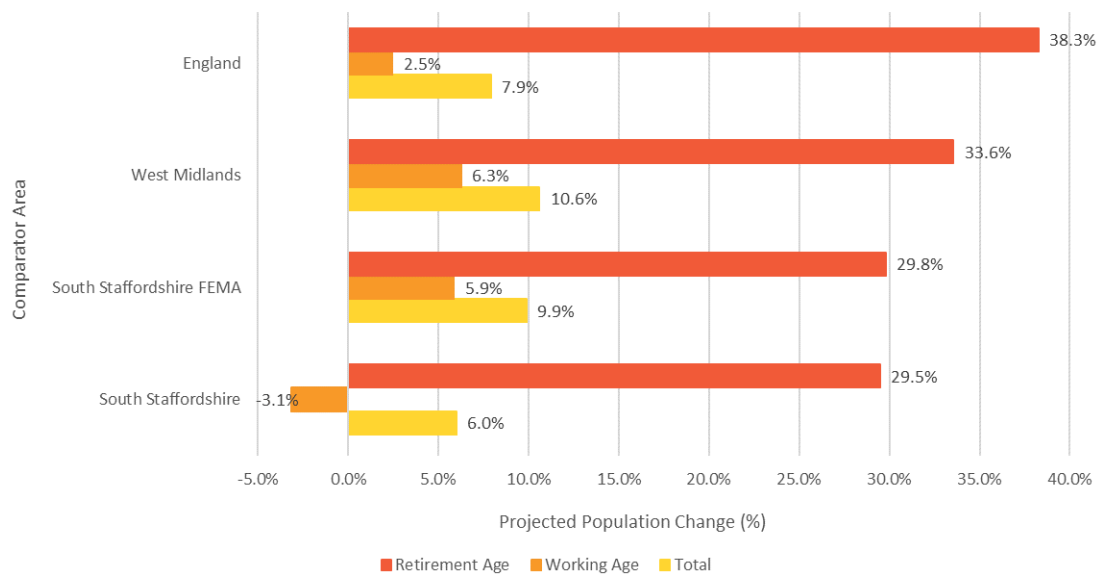
Figure 2.4 Population Growth by Age Group 2001 - 2021



Source: Census 2001, 2021

- 2.37 Looking forward, Figure 2.5 charts data from ONS 2018-based Subnational Population Projections [SNPP]. This indicates that the total population of South Staffordshire District could increase by 6,757, or 6.0% over the period 2020-2040. This level of growth remains below any of the comparator geographies, with projections showing an increase in the population across the wider FEMA of 9.9%, 10.6% across the West Midlands and 7.9% across England.
- 2.38 Furthermore, the working-age population across South Staffordshire District is projected to fall significantly by 3.1% compared to projected increases across all comparator geographies. The projected working-age population across the wider FEMA is expected to increase by 43,897 people or 5.9%; by 230,931 or 6.3% across the West Midlands; and by 869,035 (or 2.5%) across England.
- 2.39 Significant increases in the retirement-age population is a key driver of the projected population growth across all geographies. Across South Staffordshire District, the population of those of retirement age is expected to increase 8,266 or 29.5%. Similarly, across the wider FEMA, the retirement age is projected to grow by 71,402 people, or 29.8%, to 311,064. Growth in the retirement-age population across the West Midlands could be 33.6%, and as high as 38.3% across England as a whole to 2040.

Figure 2.5 Projected Population Growth by Age Group 2020 - 2040



Source: ONS (2020): 2018-based Subnational Population Projections

2.40 Moreover, projections indicate that the share of retirement-age people across the District (30.4%) is likely to far exceed that of the FEMA (23.0%), the West Midlands (22.6%), and even England (23.8%).

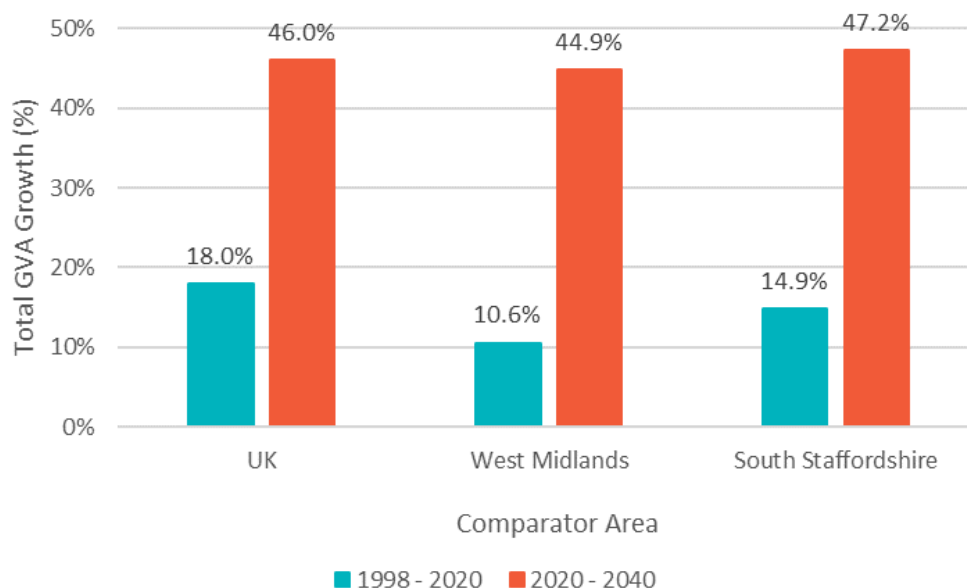
### Employment & Productivity

2.41 September 2022 Experian forecasts show that South Staffordshire District has a total Gross Value Added [GVA] of £2.0 billion in 2022, accounting for 1.4% of the West Midlands’ total economic output. Figure 2.6 compares total GVA for the period from 1998 to 2020 and from 2020 to 2040. Total GVA in South Staffordshire increased by £219.8 million, or 14.9%, between 1998 and 2020. This was a higher rate of growth than was experienced across the West Midlands (10.6%), although lower than across the UK (18.0%) over the same period.

2.42 This relatively high level of growth is forecast to accelerate significantly from 2020 to 2040, with South Staffordshire’s GVA projected to increase by £802.3 million, or 47.2% - a rate that exceeds growth across the West Midlands (44.9%) and across the UK (46.0%).



Figure 2.6 GVA Growth, 1998-2020 / 2020-2040



Source: Experian (June 2022) / Lichfields analysis

2.43 This above-average productivity performance in the South Staffordshire economy reflects the high value industries across the District and is indicative of the need to ensure high-skilled, high-wage employment continues to be provided for across South Staffordshire as it continues to grow its logistics and advanced manufacturing sectors.

2.44 Total GVA in the logistics sector in South Staffordshire is anticipated to grow by £26.4 million, or 42%, over the next twenty years. Similarly, productivity growth in Land Transport, Storage and Post is expected to increase substantially in the West Midlands, by over £8 billion.

2.45 Given that boosting productivity is a key goal of Government (as set out in the framework), this demonstrates how important it will be to support South Staffordshire’s logistics sectors going forward.

### Labour Market

2.46 The economic inactivity rate in South Staffordshire District stood at 14.7% in the year to June 2022, equating to 9,700 working-age residents not working or actively seeking employment. This figure is the lowest across all comparator geographies, with the rate of inactivity across the wider FEMA at 19.7% in the year to June 2022, 22.6% across the West Midlands, and 21.3% across England and Wales.

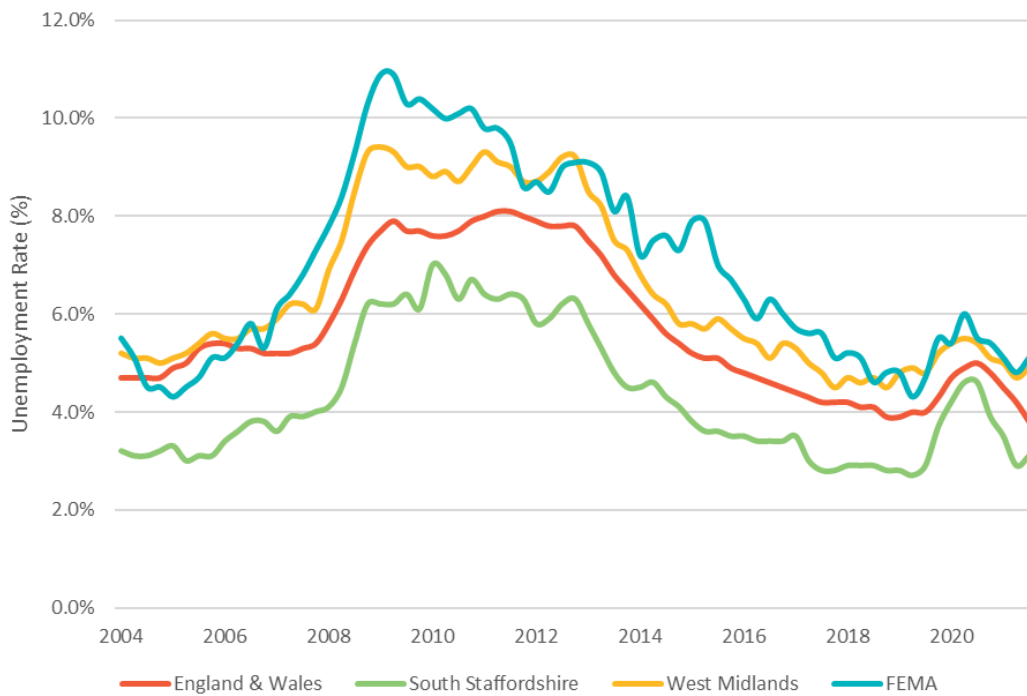
2.47 There were 1,900 unemployed residents across South Staffordshire District in the year to June 2022, equating to 3.1% of the population aged 16+. This rate is lower than all comparator areas with the wider FEMA region’s unemployment rate of 5.1%, the West Midlands rate of 4.9% and 3.8% across England and Wales.

2.48 Figure 2.7 shows unemployment rates from December 2004 to June 2022 across South Staffordshire District and the comparator areas. Across this period, the level of unemployment across the District has fluctuated but has always remained well below the

comparator averages, with several sustained periods of relatively low unemployment in South Staffordshire. Following the Covid-19 hump, unemployment rates have declined but are just starting to edge up once more at the time of writing.

2.49 Amongst the current cost of living crisis, general national and global uncertainty and as the UK enters recession, there is a substantial risk that fall unemployment trends will reverse and upward-trending unemployment will increase in the foreseeable future. It is therefore vital that employment opportunities for employment across as wide range of skill levels such as those likely to result from the proposed development be delivered.

Figure 2.7 Unemployment Rate, 2004 - 2022



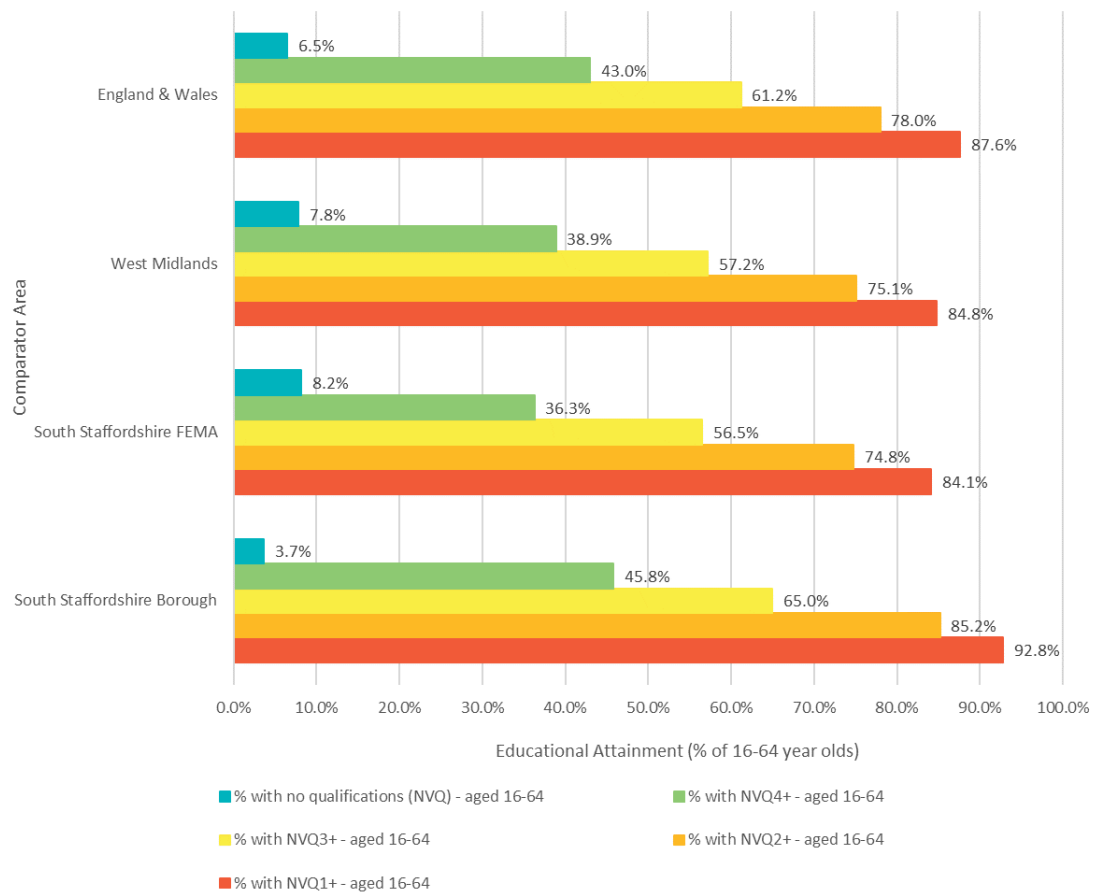
Source: ONS (2022): Model-based Estimates of Unemployment

2.50 The Claimant Count (defined as the percentage of claimants as a proportion of working-age residents) across South Staffordshire District increased very marginally from 2.5% in October 2012 to 2.6% in October 2022 with the number of claimants increasing from 1,695 to 1,740. Across the wider FEMA area, the claimant count actually decreased marginally from 5.2% in October 2012 to 4.9% in October 2022. The claimant count across the West Midlands increased slightly from 4.5% to 4.8% whilst at a national level the claimant rate stood at 3.7% in October 2012 and 2022.<sup>22</sup>

2.51 Moving on, Figure 2.8 illustrates the share of residents with Non-Vocational Qualifications [NVQs] across South Staffordshire District and the comparator areas. Data indicate that the Borough is relatively well educated with just 3.7% having no qualifications compared to 8.2% across the wider FEMA. This trend holds true across regional and national comparators, with West Midlands data showing 7.8% and England and Wales data showing 6.5% of the working-age population to have no qualifications.

<sup>22</sup> ONS (2022): claimant count by sex and age.

Figure 2.8 Educational Attainment (NVQ), 2021



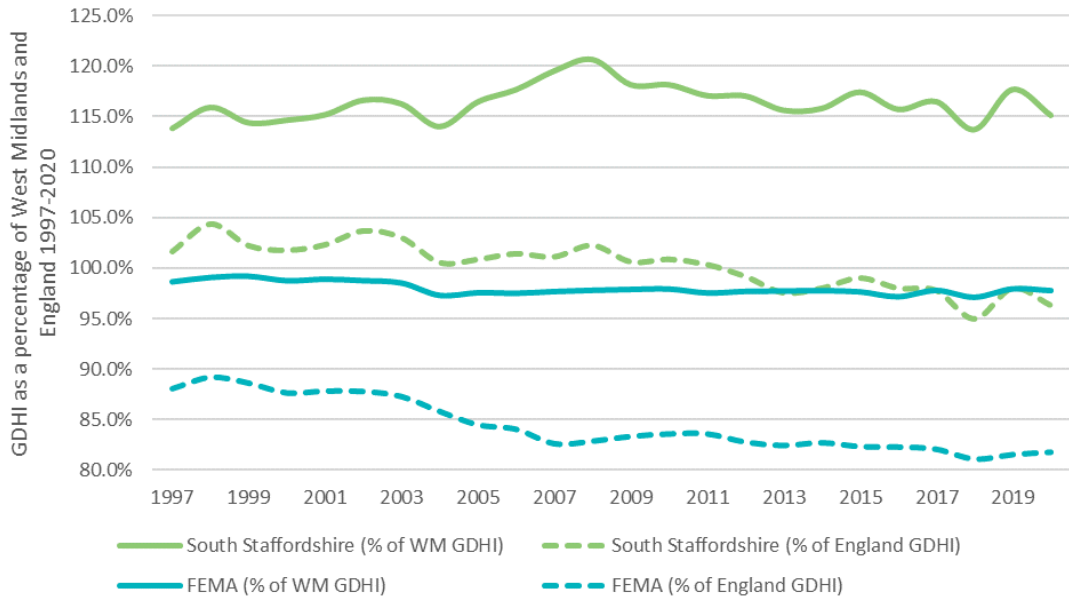
Source: ONS (2022): Annual Population Survey

## Income

2.52 in 2020, South Staffordshire District’s Gross Disposable Household Income [GDHI] per head was £21,146, compared to £16,959 in 2010, an increase of 24.7% over the decade. This remains the lowest percentage increase when compared with all comparator geographies, although the level of income remains higher than any other comparator area. Indeed, GDHI per head across the FEMA was £17,959 compared to £14,055 in 2010, an increase of 27.8% over the decade. Greater relative increases were observed across the West Midlands and across England from £14,349 to £18,363 (28.0%) and from £16,816 to £21,962 (30.6%), respectively.

2.53 Figure 2.9 presents the South Staffordshire District and the FEMA Gross Disposable Household Income [GDHI] as a percentage of West Midlands and England GDHI from 1997 up to 2020. What is clearly apparent is the relative over-performance of South Staffordshire District with GDHI as a percentage of the West Midlands averaging 116% over the period. A similar trend is observed when comparing the District’s GDHI as a percentage of England’s GDHI up to the end of 2011 with an average percentage of 101.8% before falling slightly to an average of 97.6% up to 2020.

Figure 2.9 South Staffordshire District and FEMA GDHI as a percentage of West Midlands and England 1997-2020



Source: ONS (2022): Regional Gross Disposable Household Income

## Wages

- 2.54 The median gross annual workplace earnings in 2021 were £31,426 in 2021 for South Staffordshire, which is above both the regional figure of £30,000 and slightly above the national figure of £31,344. The median gross annual resident earnings in 2021 were £33,075 in South Staffordshire, again higher than the regional (£29,799) and England and Wales (£31,349) figures. That the resident earnings are higher than workplace earnings in South Staffordshire suggests that the District is a net exporter of labour, with a large proportion of residents commuting to work outside of the District.
- 2.55 Comparing South Staffordshire against other authorities in the South Staffordshire FEMA, as shown in Figure 2.10 indicates that whilst resident-based earnings in the district are relatively high, there remains scope to improve workplace-based earnings by providing more skilled employment opportunities across the District.

Figure 2.10 Median Gross Annual Earnings in Comparator Authorities, 2021



Source: ONS (2022): Annual Survey of Hours and Earnings / Lichfields’ analysis

2.56 Table 2.1 presents the average gross annual wages for the transportation and storage sector in the West Midlands, compared to the sector nationally and all sectors. Despite having an unfounded reputation for being a low-wage sector, it is clear that UK-wide median wages in the logistics industry were £31,743 and mean wages £35,654 in 2022. This is 14.3% and 6.7% higher than the all-sector averages respectively.

2.57 Whilst logistics wages were slightly below this in the West Midlands, they remain well above the national and regional all sector averages. In addition, median and mean wages in the sector increased by 8.5% and 7.1% respectively compared to the previous year – a higher level of growth than the comparator areas.

Table 2.1 Average Gross Annual Pay (2022)

	Median	Annual Percentage Change	Mean	Annual Percentage Change
UK - All Sectors	£27,756	6.8%	£33,402	6.2%
West Midlands – All Sectors	£26,708	6.5%	£30,888	4.0%
UK - Transportation and Storage	£31,743	5.8%	£35,654	3.9%
West Midlands - Transportation and Storage	£30,137	8.5%	£33,567	7.1%

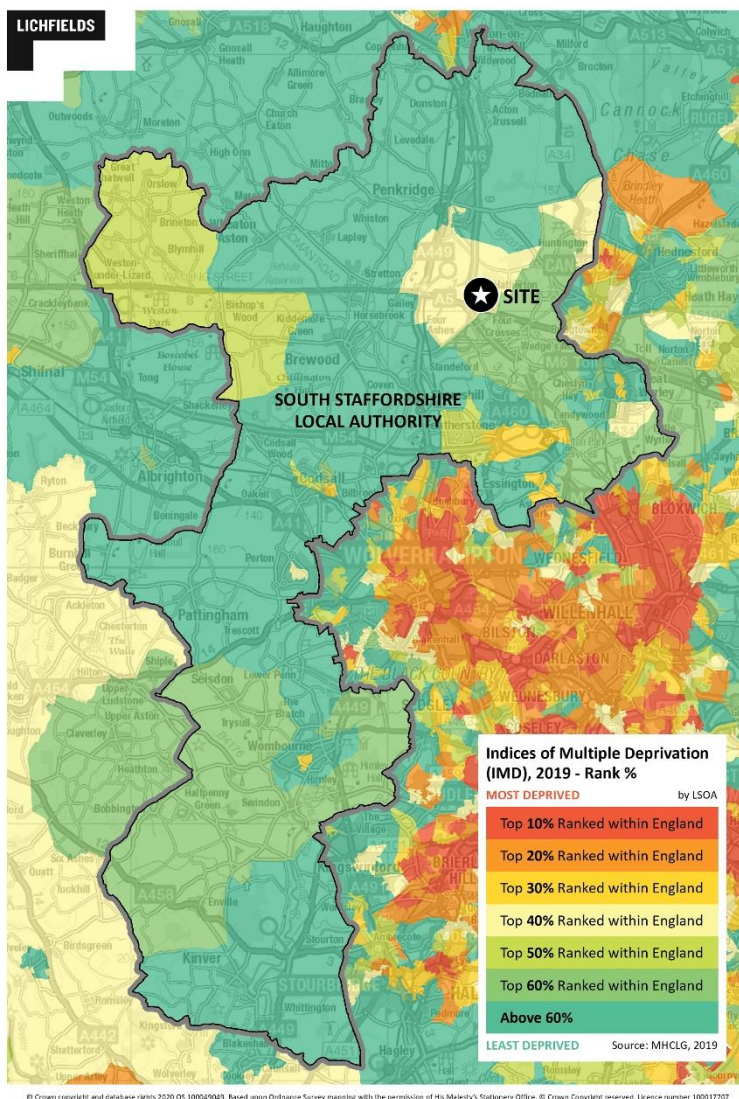
Source: ONS (2022): Annual Survey of Hours and Earnings

## Deprivation

2.1 Deprivation at the local level is measured by ONS’s 2019 Index of Multiple Deprivation [IMD], which uses a series of data to rank areas across seven domains that varies from income to health. When combined, these categories produce a multiple deprivation score for each local area, where 1 equals the most deprived and 317 equals the least deprived. In overall terms, South Staffordshire ranks 235<sup>th</sup> out of 317 local authorities in England on the IMD 2019 (i.e. it is within the 15% least deprived authorities in the country).

- 2.2 However, whilst South Staffordshire District itself is not relatively deprived, as can be seen in Figure 2.11, the Lower Layer Super Output Area [LSOA] that contains the proposed development at Gailey Lea is relatively more deprived being in the top 40% of deprived LSOA in England. There are also issues with severe deprivation in nearby Wolverhampton, Walsall, Sandwell and Dudley, which would serve as potential sources of labour for the proposed development.
- 2.3 Indeed, Sandwell District is the 8<sup>th</sup> most deprived Local Authority in England with Wolverhampton District being the 19<sup>th</sup> most deprived and Walsall District the 31<sup>st</sup> most deprived. Dudley, though relatively less deprived, still ranks 104<sup>th</sup> most deprived. All stand to benefit considerably from the employment opportunities that could potentially be created by the development.

Figure 2.11 Indices of Deprivation for South Staffordshire



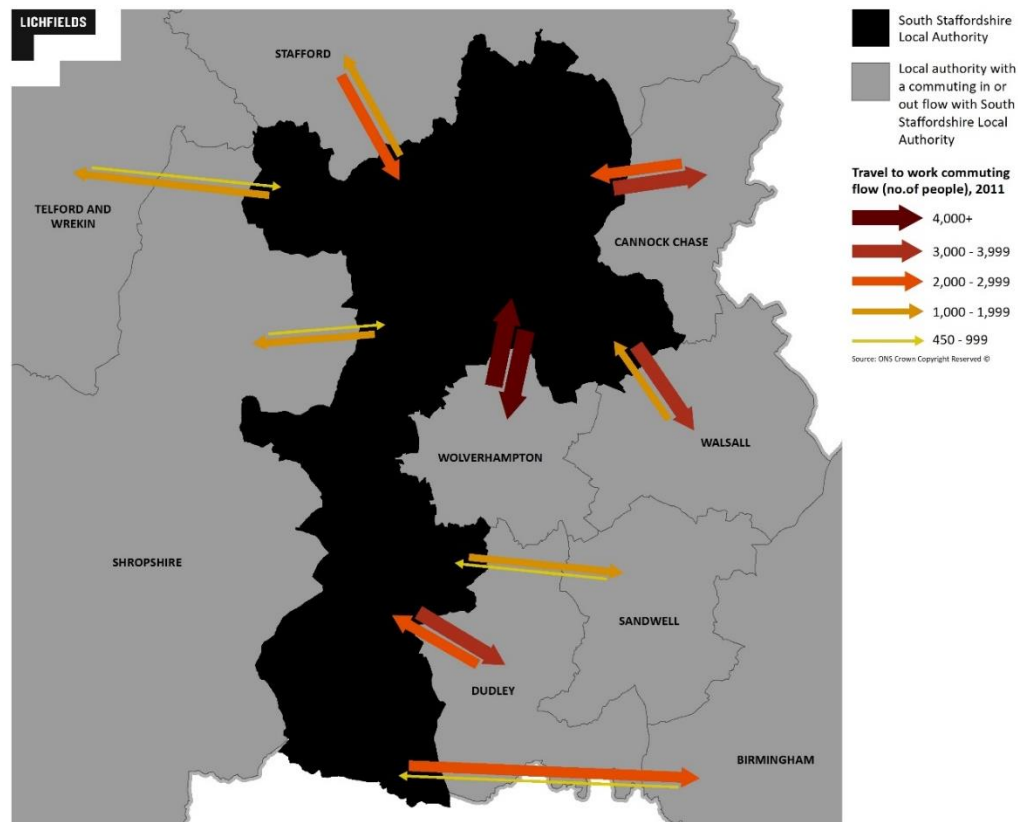
Source: ONS: Index of Multiple Deprivation 2019/ Lichfields analysis



## Commuting Flows

- 2.4 As show in Figure 2.12 and **Error! Reference source not found.**, Census 2011 Origin and Destination data has been analysed to provide a picture of the commuting flows into and out of South Staffordshire District. The data show the district to have a workplace population of 36,780, of whom 52.1% are South Staffordshire residents. Therefore, 17,583 people commute to work in South Staffordshire district from other authorities.
- 2.5 The District’s key linkages to surrounding authorities in term of in-commuters include nearby Wolverhampton providing 4,448 workers (12.1% of South Staffordshire’s workplace population); Cannock Chase providing 2,472 (6.7% of South Staffordshire’s workplace population); and Dudley providing 2,333 (6.3% of South Staffordshire’s workplace population).

Figure 2.12 Commuting Flows To/From South Staffordshire



Source: Census 2011

- 2.6 South Staffordshire District has a resident workforce of 43,409, of which 24,249 people or 55.9% commute to work in other authorities. The strongest relationships in terms of out-commuting include 10,381 people travelling to work in Wolverhampton (23.9% of all out-commuters); 3,876 people travelling to work in Walsall (8.9% of all out-commuters); 3,736 people travelling to work in Dudley (8.6% of all out-commuters); and 3,328 people travelling to work in Cannock Chase (7.7% of all out-commuters).
- 2.7 Overall, South Staffordshire is a net exporter of labour to neighbouring authorities, with 6,666 more people leaving to work in other districts that coming in from elsewhere, meaning the District has a low level of self-containment in terms of commuting flows.

## Summary

2.8 This section has reviewed the socioeconomic context for South Staffordshire District and comparator areas. The key points are summarised below:

- Logistics is a key employment sector and enabler of economic activity across a broad range of sectors, generating over £77 bn a year and employing more than 2m people.
- The sector has experienced an average annual growth rate of 4.0% nationally and 5.1% in the West Midlands over the past decade, benefitting in particular from recent stellar increases in online sales activity following the Covid-19 pandemic.
- The population of South Staffordshire has grown more slowly than the wider FEMA, the West Midlands and England and Wales, since 2001.
- As a result of over 65s population growth of 65.8% South Staffordshire, the number of working-age residents have fallen as a share of the total population.
- The population of South Staffordshire is expected to grow at a slower rate than the comparator areas up to 2040. Furthermore, the District's working-age population is projected to fall by 3.1% up to 2040.
- GVA growth in South Staffordshire between 1998 and 2020 at 14.9% was higher than GVA growth across the West Midlands (10.6%) but below that of the UK (18.0%). Productivity growth in the logistics sector is expected to increase substantially in the Region, from £31,87 per workforce job in 2020, to £42,180 in 2040 – a growth of 35.2%.
- Wages in the logistics sector are above the all-sector average both nationally and within the West Midlands. Wages in the sector are also growing in the West Midlands at a faster rate than they are nationally.
- South Staffordshire has a successful labour market, with relatively low levels of economic inactivity, unemployment, and benefit claimants, whilst having relatively high levels of educational attainment.
- South Staffordshire has a higher disposable income per head than the West Midlands and England, although it has grown at a relatively weak rate over the past twenty years or so.
- Whilst many of the economic indicators are positive for South Staffordshire, there are clear and obvious challenges ahead and it remains vital that future economic opportunities are sized to ensure that the local economy remains robust, and the need for local residents to commute to neighbouring districts is reduced.
- Although much of South Staffordshire does not experience high levels of deprivation, the area that the Gailey Lea Farm site is located within is one of the more deprived areas being in the top 4% of deprived LSOAs in the country. Furthermore, the development is also in close proximity to Wolverhampton (19<sup>th</sup> most deprived district); Walsall (31<sup>st</sup>); Dudley (104<sup>th</sup>) and Sandwell (8<sup>th</sup>) and all stand to benefit considerably from the employment opportunities created by the proposed development.
- South Staffordshire is a net exporter of labour and has strong economic links with Wolverhampton and other areas within the South Staffordshire FEMA.

### 3.0 **Economic Benefits of the Proposed Development**

3.1 This section sets out the potential economic benefits of the proposed development during both the construction and operational phases. The main parameters that form the basis of this assessment are as follows:

- As provided by the developer, the proposed development would deliver a total of 228,075 sqm [GIA] B8 floorspace with ancillary office use. This equates to just under **239,480 sqm [GEA]<sup>23</sup>**.
- Based on construction cost estimates provide by Richborough, the proposed development is expected to cost in the region of £55 per sq.ft GIA to construct. This indicates a total capital investment for the project of **£135,025,000** in 2021 prices.
- Based on experience of other strategic logistics developments of 1 million sq.ft and above, the proposed development has an estimated build period of **6 years**. It is anticipated that **construction could commence in 2027/28**.

#### **Direct Employment During Construction**

3.2 Based on HCA Labour Coefficients that estimate the number of FTE years of construction employment per £1m investment, it is estimated that the construction of the proposed development will require **186 FTE** construction workers for each year of construction.

3.3 Although national and regional construction firms often use their own labour on schemes, it is typical that a share of the contractors employed would be drawn locally. However, it is difficult to estimate the likely source of labour to fill these jobs before contracts have been let. Based on experience, it is reasonable to expect a proportion of the remaining construction jobs to be taken-up by local workers, particularly if measures were put in place to increase local skill levels and promote local recruitment (e.g., local trainee / apprenticeship schemes).

#### **Indirect and Induced Employment During Construction**

3.4 Construction also involves acquisitions from several suppliers, who in turn purchase from their own suppliers through the supply chain. The relationship between the initial direct spending and total economic effects is known as the ‘multiplier effect’, which demonstrates that an initial investment can have much greater indirect effects as this spending is diffused through the economy. The construction sector is recognised to be a part of the UK economy where there is a particularly large domestic benefit in the supply chain.

3.5 In this context, it is anticipated that businesses in the local area would benefit from trade connections established over the construction phase of the scheme. As a result, additional indirect jobs would be supported in the economy through local suppliers of construction materials and equipment.

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<sup>23</sup> 1 sqm = 10.764 sq.ft. To translate GIA floorspace to GEA, 5% has been added on to account for external walls in accordance with HCA guidance (Employment Density Guide 3<sup>rd</sup> Edition 2015)

- 3.6 In addition, local businesses would be expected to benefit to some extent from a temporary increase in expenditure from the direct and indirect employment effects of the construction phase. Although only a proportion of these benefits would be felt in the local area, it would be expected that the local economy would gain a sizeable temporary boost from the wage spending of workers in shops, bars and restaurants, and other services and facilities. Such effects are typically referred to as ‘induced effects.’
- 3.7 The latest ONS Input-Output Tables indicate that the construction industry has an indirect and induced employment multiplier of 2.11. Applying this multiplier to the 186 direct construction FTE jobs indicates an additional **207 FTE jobs** would be supported by the proposed development. This is in addition to the direct construction FTE jobs discussed earlier.

### **Economic Output During Construction**

- 3.8 The construction phase of the development could also contribute to local economic output, as measured by Gross Value Added [GVA]. GVA is a measure of the difference between what is produced as output (goods and services) and the inputs (raw materials, semi-finished products etc.) used in the production of those outputs. It represents the additional value that is added through economic activity.
- 3.9 Based on September 2022 Experian data, the construction sector generates an average GVA per FTE worker of £57,326 per annum in the West Midlands<sup>24</sup>. Applying this to the direct employment impact of the scheme (as derived above), it is estimated that the direct construction activity could generate **£12.8 million** of direct GVA and an additional **£15.3 million** of indirect GVA in each year of construction.
- 3.10 This equates to an estimated total of **£28.1 million** of direct and indirect GVA being generated over the whole construction period. It should be noted that not all of this will be retained locally.

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<sup>24</sup> Experian, Gross Value Added (2022)

## 4.0 Operational Impacts

### Direct Employment

- 4.1 To estimate the likely employment supported by the proposed development, the Employment Densities Guide 3<sup>rd</sup> Edition (2015) produced by the HCA, can be used by applying an average job ratio to floorspace. On this basis, and as set out in Table 4.1, it is estimated that **2,521 FTE** jobs could be directly supported by the proposed development. It should be noted that ancillary office use is incorporated into the B-class employment densities. This equates to 2,737 workforce jobs (based on an employment density of 87.5 sqm per job).

Table 4.1 Direct Employment During Operation

Floorspace (GEA) and Use Class	Employment Density (sqm GEA per FTE Job)	FTE Jobs Supported
239,480 sqm B8 Large Scale / High Bay Distribution	95 sqm	2,521

Source: Lichfields / HCA Employment Densities Guide 3<sup>rd</sup> Edition (2015)

### Displacement Effects

- 4.2 Some of the new employment generated on the site may comprise jobs displaced from elsewhere in the wider area. Net employment impacts in the local and regional area have been estimated by considering the extent to which the proposed development would displace some jobs from existing local businesses by considering typical job displacement factors for these uses<sup>25</sup>. Displacement effects can be reduced where an area is already deficient in B8 employment space or where sectors within these use classes are expected to see strong growth.
- 4.3 As summarised in our Employment Land Needs Assessment, the proposed development is seeking to provide strategic-level B8 warehousing space that will be addressing a very sizeable unmet strategic B8 need across the FEMA. As such, the companies likely to move into the new units are likely to comprise firms not already based in the local area. Even as firms do relocate from within the local area, the freeing up of existing premises will ensure that the development yields a net positive impact on employment growth within South Staffordshire.
- 4.4 Given the scale of the development proposed and the lack of availability of any comparable units in South Staffordshire it is considered that the likely displacement would be minimal locally. In terms of the wider FEMA and region, the proposed development is likely to have more of an impact, although as it will be competing with other sites across the Black Country and Greater Birmingham, even here the level of displacement is likely to be comparatively modest.
- 4.5 It is therefore considered that any displacement of B-class employment jobs will be towards the low end of the potential range. A typical low level of job displacement would be in the order of **25%** (i.e. 25% of the new jobs on the site will be relocations from elsewhere in the immediate local impact area) as shown in Table 4.2. This balances the high level of latent

<sup>25</sup> HCA (2014): Additionality Guide, 4<sup>th</sup> edition

demand for strategic distribution units in the area and the lack of any reasonable alternative sites, with the scope for some displacement from other sites and regeneration areas across the West Midlands and the replacement of traditional industries there with residential/office uses. This corresponds to a 'low' level of displacement, as defined by the HCA Additionality Guide, with a higher rate of 50% to reflect the likely wider regional impact.

As shown in Table 4.2, after allowing for such displacement effects, the total net additional direct jobs resulting from the proposed development at Gailey Lea is estimated to be in the order of **1,891 FTE jobs** at the local level, falling to **1,260 FTE jobs** at a regional level.

Table 4.2 Net Direct Effects on Employment – Displacement Effects

	Direct FTE Jobs	Displacement Factor	Net Additional Jobs – Less Displacement (FTE)
District Displacement	2,521	25%	1,891
Regional Displacement	2,521	50%	1,260

Source: Lichfields analysis, incorporating guidance from the HCA Additionality Guide 4<sup>th</sup> Edition (2014)

## Indirect and Induced Employment

- 4.6 The proposed development will also support indirect and induced jobs through the expenditure of the firms occupying the commercial floorspace in the supply chain, and the expenditure of employee wages on goods and services in local businesses (e.g. shops and restaurants). Where detailed expenditure data is not available, these employment effects are typically estimated using employment multipliers derived from research on similar operations elsewhere, with adjustments made to reflect: the specific characteristics of the development; and the local economic and labour market conditions.
- 4.7 Based on the characteristics of the proposed development, its local context and labour market, a combined employment multiplier of 1.29 is considered appropriate to estimate both indirect and induced employment for the local area, and a higher multiplier of 1.44 for the West Midlands. This broadly aligns with the composite multiplier effect by type of area 'ready reckoners' for B8 developments as set out in Table 4.12 of the HCA's *Additionality Guide Fourth Edition* (2014).
- 4.8 Applying the local area multiplier to the estimated net additional direct FTE jobs results in a further 548 'spin off' FTE jobs within the local area and 555 FTE jobs within the wider West Midlands region.
- 4.9 Based on the above, the operational phase of the proposed development is estimated to support – directly and indirectly – approximately **2,439 FTE jobs** at the local level, falling to **1,815 FTE Jobs** at a regional level.

## Economic Output

- 4.10 The operational phase of the development will also contribute to local economic output measured by GVA. Based on 2022 Experian data (which provides data on the GVA per worker in different sectors) and the proposed uses of the employment floorspace, it is



estimated that the proposed development could generate a further **£117 million direct GVA** per annum once complete and operational based on the direct FTE jobs supported.

## Business Rates

4.11 Business rates are charged on non-domestic properties including office, industrial, retail and some community uses. To accurately estimate the average charge for each floorspace type in the proposed development, a review of existing charges near to the proposed development site was completed using the Valuation Office Agency [VOA] website.

4.12 Analysis of data from the VOA on the adjusted price per square metre of large distribution centres above 50,000 sqm in the West Midlands indicates an average rateable value of £40 per sqm. Applying these rates and a business multiplier of 0.512 results in the proposed development generating an estimated business rates of around £4.9 million per annum.

## Summary Economic Benefits

4.13 An indicative summary of the potential economic benefits of the proposed logistics development at Gailey Lea is shown in Table 4.3.

Table 4.3 Summary of Economic Impacts of the proposed development at Gailey Lea

	Proposed Development
<b>QUANTUM OF DEVELOPMENT (GEA)</b>	
B8 floorspace (sqm)	239,479
Capital Investment	£135.0 million
Direct Construction FTE Jobs p.a.	186
Indirect & Induced FTE Jobs Supported p.a.	207
Total Direct & Indirect GVA p.a.	£28.1 million
<b>OPERATIONAL IMPACTS</b>	
Direct FTE Jobs	2,521
Net Additional Direct FTE Jobs (Local)	2,439
Net Additional Direct FTE Jobs (Regional)	1,815
Direct GVA p.a.	£117 million
<b>FISCAL IMPACTS</b>	
Business Rates Payable (gross annual)	£4.904 million

Source: Lichfields

## 5.0 **Economic Competitiveness and Wider Impacts**

### **Introduction**

- 5.1 This section assesses the potential impact of the proposed development on economic competitiveness and wider impacts on the local economy.

### **Facilitating Business Growth**

- 5.2 The needs of businesses evolve over time as the nature of the economy changes; these needs can include a change in the type and size of premises required and/or their locational needs. In today's market, many businesses are moving towards more flexible working practices, requiring flexible accommodation rather than fixed premises with long contracts, especially in the wake of Covid-19.
- 5.3 The proposed development features just under 240,000 sqm of Class B8 floorspace with ancillary office space. This provision will broaden the workspace offer of South Staffordshire District, providing further opportunities for meeting the needs of different firms that may not be accommodated by existing commercial space in the District. As well as a quantitative supply gap, this would fill a qualitative one, attracting larger and higher-value businesses than are currently seen in the District.

### **Contribution to Economic Objectives**

- 5.4 The potential economic impacts of the proposed development align well with a wide range of national, subregional and local policy objectives.
- 5.5 Table 5.1 summarises the strategic fit of the proposals with relevant planning and economic development strategies at the national, sub-regional and District level.

Table 5.1 Contribution of the Proposed Development to Economic Objectives

	Policy/ Strategy	Relevant Key Message	Contribution of Proposed Development to Policy Objective
<b>NATIONAL</b>	National Planning Policy Framework (July 2021)	<p>The document outlines local planning authorities should:</p> <ul style="list-style-type: none"> <li>• Encourage sustainable growth;</li> <li>• Help create the conditions in which business can invest, expand and adapt;</li> <li>• Make provision for storage and distribution operations at a variety of scales and in suitably accessible locations;</li> <li>• Be flexible enough to accommodate needs not anticipated in the plan and allow for new and flexible working practices; and</li> <li>• Seek to secure high-quality design and a good standard of amenity for all future occupants of land and buildings.</li> </ul>	<ul style="list-style-type: none"> <li>• Provide 240,000 sqm of high quality B8 employment floorspace;</li> <li>• Upon completion, create 2,521 direct FTE jobs on site and generate up to £117 million GVA per annum; and</li> <li>• Generate up to 2,439 net additional FTE jobs locally and up to 1,815 net additional FTE jobs regionally.</li> </ul>
	Build Back Better (2021)	<p>This document sets out the Government’s ambition to rebuild the economy across three core pillars of growth, which include:</p> <ul style="list-style-type: none"> <li>• Infrastructure – stimulate short-term economic activity which drives long-term productivity improvements, whilst also supporting the ‘crowding-in’ of private investment to accelerate progress to net zero and help to level up the UK economy. This includes working with local authority and the private sector to deliver essential infrastructure;</li> <li>• Skills – Support productivity growth through high-quality skills and training, and continue to focus on the quality of apprenticeships; and</li> <li>• Innovation – Support and incentivise the development of creative ideas that will shape the UK’s future growth, attract the brightest and best people, and support small and medium-sized enterprises (SMEs).</li> </ul>	<ul style="list-style-type: none"> <li>• Deliver just under 240,000 sqm (GEA) of Class B8 floorspace with c.7% ancillary office space; and</li> <li>• Generate up to 2,521 direct FTE jobs once complete and operational.</li> <li>• Support skills and innovation by growing a sector which increasingly requires a wide range of job roles and offers high quality training opportunities.</li> </ul>
	Future of Freight Plan (2022)	<ul style="list-style-type: none"> <li>• This document clearly establishes the Government’s positive attitude towards the role of logistics in the UK economy.</li> <li>• With this comes a requirement for LPAs to ensure the sector is appropriately accommodated with policy documents; the Local Plan should, as a consequence, cater for this need.</li> <li>• The Plan states that sites supporting freight activities such as distribution centres often require large amounts of land, need to be strategically located near transport links and most importantly, operate across local authority boundaries.</li> </ul>	<ul style="list-style-type: none"> <li>• Deliver just under 240,000 sqm (GEA) of Class B8 floorspace strategically located near transport links and which will meet some unmet needs across a much wider area.</li> </ul>

	Policy/ Strategy	Relevant Key Message	Contribution of Proposed Development to Policy Objective
	Black Country Strategic Economic Plan (2017)	<ul style="list-style-type: none"> <li>This document forms the industrial strategy for the four districts that comprise the sub-region and is framed around a set of priority propositions.</li> <li>Those priority propositions are: high value manufacturing, business competitiveness, economic capital, upskilling and a better connected region.</li> <li>The SEP sets out the Black Country LEPs 30-year vision to 2033. These objectives include increasing the number of jobs, improving the regional skill-mix, a rise in incomes to the national average, delivering additional employment land, and improving labour and capital mobility.</li> </ul>	<ul style="list-style-type: none"> <li>2,521 direct FTE Jobs in sectors that offer higher incomes than the national average.</li> <li>240,000 sqm (c.87 ha) of B8 employment space.</li> <li>£117 million direct GVA generated per year upon completion.</li> </ul>
LOCAL	Black Country Economic Development Needs Assessment (2017) and Update (2021)	<ul style="list-style-type: none"> <li>The EDNA established the employment land needs of the Black Country to 2039 with a subsequent update provided in 2021 due to the COVID-19 pandemic and the subsequent change in use of employment space.</li> <li>Manufacturing, logistics, construction, low-carbon technologies, and health all remain transformational sectors for the region with the pandemic consolidating their impacts.</li> <li>The EDNA Update identifies a future level of demand for employment space between 502 – 522 ha over the plan period recommending of which 30% should be of B8 activity.</li> <li>Without any contributions from outside the BCA there would be between 212-232 ha undersupply of employment land over the plan period</li> </ul>	<ul style="list-style-type: none"> <li>240,000 sqm (c87 ha) of B8 use employment space which could go towards meeting the very substantial levels of unmet need for strategic employment land in the Black Country districts</li> </ul>
	South Staffordshire Core Strategy (2012)	<ul style="list-style-type: none"> <li>This document sets out the long-term vision for maintaining and enhancing the villages and countryside of the District.</li> <li>Core Policy 7 relates to Employment and Economic Development. The Policy states that the Council will support measures to sustain and develop the local economy. This policy will support the development of creative and higher technology industries at strategic employment sites across South Staffordshire.</li> </ul>	<ul style="list-style-type: none"> <li>£117 million GVA generated per annum upon completion.</li> <li>2,521 direct FTE jobs and with a further 2,439 net additional direct jobs generated locally and 1,815 generated regionally.</li> <li>Deliver just under 240,000 sqm (GEA) of Class B8 floorspace strategically located near transport links and which will help to meet the unmet needs of adjoining areas including the BCA.</li> </ul>

	Policy/ Strategy	Relevant Key Message	Contribution of Proposed Development to Policy Objective
	Site Allocations (2018)	<ul style="list-style-type: none"> <li>The SAD sets out specific site proposals and policies for the use of land to help deliver the vision and objectives of the Core Strategy.</li> <li>SAD notes that the suite of Employment Land Studies since the adoption of the Core Strategy have identified a gap of high quality employment land in the Black Country.</li> </ul>	<ul style="list-style-type: none"> <li>Deliver just under 240,000 sqm (GEA) of Class B8 floorspace strategically located near transport links and which will help to meet the unmet needs of adjoining areas including the BCA.</li> <li>Will generate 2,521 direct FTE jobs offering incomes above the national average.</li> </ul>
	South Staffordshire Publication Plan (2022)	<ul style="list-style-type: none"> <li>The Plan allocates the sites required to deliver the identified level of development needed over the plan period 2018-2039.</li> <li>Policy DS4: Development Needs, sets out that during the plan period to 2039 the Council will promote the delivery of a minimum of 99 ha of employment land over the period 2020-2039 to ensure that South Staffordshire's identified need for employment land of 63.6 ha is met, as well as making available a potential contribution of 36.6 ha to the unmet employment land needs of the Black Country authorities.</li> <li>Policy DS6 sets out the longer term aspiration for a New Settlement equipped with the capacity to accommodate the future housing and economic needs of the district.</li> </ul>	<ul style="list-style-type: none"> <li>Deliver just under 87 ha (240,000 sqm) (GEA) of Strategic Class B8 floorspace.</li> <li>Development is located just to the east of the area in consideration under Policy DS6 and so could be a key employment provider and generator of economic activity with £117 million direct GVA generated annually upon completion.</li> </ul>

Source: Lichfields

## 6.0 Conclusions

- 6.1 This EBA has assessed the potential economic benefits of the proposals by Richborough for strategic employment development of land to the east of the M6 Junction 12 at Gailey Lea Farm, which would deliver high quality warehousing employment land with ancillary office space. This strategic development site has the potential to help support a range of economic aspirations at the local and sub-regional level, particularly in terms of meeting South Staffordshire District's future growth needs and contribute towards meeting the unmet needs of the BCA.
- 6.2 Logistics is a key employment sector and enabler of economic activity. The sector has an average annual growth rate of 4.0% nationally and 5.1% in the West Midlands and increasingly supports a wide range of jobs across different skill levels.
- 6.3 South Staffordshire District has strong economic and demographic fundamentals to support employment growth in the sector. The District's working-age population is expected to decline compared to the projected growth regionally and nationally up to 2040. A strategic development such as the proposal at Gailey Lea is therefore crucial to reverse the decline in the working-age cohort and ensure the District can attract workers with greater economic capital. The District also has a successful labour market in general, although current economic conditions have seen unemployment begin to rise.
- 6.4 Wages in the logistics sector are above the all-sector average both nationally and within the West Midlands. Wages in the sector are also growing in the West Midlands at a faster pace than they are nationally.
- 6.5 Whilst South Staffordshire itself is not deprived, the LSOA containing the proposed development is in the top 40% of the most deprived LSOAs in England. There are also significant pockets of severe deprivation in nearby Wolverhampton, Walsall, Sandwell as well as Dudley, which would serve as potential sources of labour for the proposed development.
- 6.6 The delivery of the proposed development therefore offers an opportunity to extend the existing highly successful logistics offer within the West Midlands and create a critical mass of high value business activity in the northern part of the South Staffordshire District.
- 6.7 The proposed development will deliver just under 240,000 sqm of new warehousing floorspace and would generate a range of direct and indirect economic impacts that would support future growth in South Staffordshire District, as well as the wider sub regional economy. The quantifiable economic effects of the proposed employment development are set out in Table 6.1.



Table 6.1 Economic Impacts of Employment Development at Gailey Lea, South Staffordshire

	Proposed Development
<b>QUANTUM OF DEVELOPMENT (GEA)</b>	
B8 floorspace (sqm)	239,479
Capital Investment	£135.0 million
Direct Construction FTE Jobs p.a.	186
Indirect & Induced FTE Jobs Supported p.a.	207
Total Direct & Indirect GVA p.a.	£28.1 million
<b>OPERATIONAL IMPACTS</b>	
Direct FTE Jobs	2,521
Net Additional Direct FTE Jobs (Local)	2,439
Net Additional Direct FTE Jobs (Regional)	1,815
Direct GVA p.a.	£117 million
<b>FISCAL IMPACTS</b>	
Business Rates Payable (gross annual)	£4.904 million

Source: Lichfields Analysis

- 6.8 The need case for the proposed development relates to both the requirement to cater for the demands of the industry to address the shortfall in available logistics space within South Staffordshire District and across the FEMA as a whole and the overwhelming policy support for the principle of further warehousing development in the area.
- 6.9 It is our conclusion that the proposed development site represents a key strategic location with excellent opportunities for growth based on the substantial economic potential of the area, that will help to balance the spatial distribution of economic growth in Greater Birmingham and help to meet unmet needs for strategic industrial warehousing across South Staffordshire's FEMA (most notably the Black Country authorities).

Celebrating  
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years

**Birmingham**

0121 713 1530

birmingham@lichfields.uk

**Edinburgh**

0131 285 0670

edinburgh@lichfields.uk

**Manchester**

0161 837 6130

manchester@lichfields.uk

**Bristol**

0117 403 1980

bristol@lichfields.uk

**Leeds**

0113 397 1397

leeds@lichfields.uk

**Newcastle**

0191 261 5685

newcastle@lichfields.uk

**Cardiff**

029 2043 5880

cardiff@lichfields.uk

**London**

020 7837 4477

london@lichfields.uk

**Thames Valley**

0118 334 1920

thamesvalley@lichfields.uk



@LichfieldsUK

**lichfields.uk**



**Birmingham**

0121 713 1530

birmingham@lichfields.uk

**Edinburgh**

0131 285 0670

edinburgh@lichfields.uk

**Manchester**

0161 837 6130

manchester@lichfields.uk

**Bristol**

0117 403 1980

bristol@lichfields.uk

**Leeds**

0113 397 1397

leeds@lichfields.uk

**Newcastle**

0191 261 5685

newcastle@lichfields.uk

**Cardiff**

029 2043 5880

cardiff@lichfields.uk

**London**

020 7837 4477

london@lichfields.uk

**Thames Valley**

0118 334 1920

thamesvalley@lichfields.uk

@LichfieldsUK

**lichfields.uk**