



Tamworth Local Plan Examination

Representations by JLL on behalf of St Modwen Developments Ltd (SMDL)

MATTER 10 - EMPLOYMENT

10.1 Are the expectations in the Plan for employment growth (including 32 hectares of new employment land) soundly based on a coherent framework? Are there any changes in the Plan needed in response to the Government's Growth Agenda?

The primary evidence to support the need for 32 hectares of new employment land is the Employment Land Review Update (2013) undertaken on behalf of the Council by independent consultants, Nathaniel Lichfield and Partners.

The principal purpose of the Employment Land Review is to project the need for employment land for Tamworth for the period from 2011 to 2030. The ELR provides six different projections. These are:-

1. Labour demand (Experian base line) – 21.02 hectares.
2. Labour demand (policy on) – 32.91 hectares.
- 3a Take up (last 10 years) – 48.51 hectares.
- 3b Take up (last 16 years) – 66.49 hectares.
- 4a Labour supply (housing target of 250 homes per annum) – 27.82 hectares.
- 4b Labour supply (CLG 2011 based household projections) – 30.16 hectares.

All these projections are calculated by adding a net land requirement (that varies) to an allowance for employment land losses (23.75 hectares in all cases) and a margin of flexibility (4.07 hectares in all cases). The latter is based on two year's take up based on the last 16 years.

The draft Local Plan proposed a requirement of 32 hectares for the plan period (2006 – 2031) and this was carried forward to the Pre-Submission Draft. Paragraph 4.45 of the draft Local Plan provided a more detailed rationale on why this figure was chosen than paragraph 3.25 of the Pre-Submission draft . It states:-

"The range spans from 22.91 hectares to 69.87 hectares over the plan period. Scenario two and four (a) were deemed the most appropriate to Tamworth, as they consider the level of employment Land required with a "regeneration and growth" thrust and the expected population and demographic changes. The plan period requirement for scenario two is 34.47 hectares and for scenario four (a) 29.07 hectares, the mid-point of these scenarios is 31.77 hectares".

This is not clear. None of the figures quoted actually correspond with the ELR figures. As the actual period assessed by NLP (2011-2030) does not correspond with the plan period (2006-2031) an adjustment is to be expected. However, the text to the draft Local Plan does not explain how this adjustment has been calculated.

In addition, the adjustment seems to be disproportionately small given the different lengths of the period assessed. The plan period (at 25 years) is over 30% longer than the period assessed by the ELR (19 years). However, the adjusted figures for the employment land requirement proposed in the draft Local Plan are only between 4% and 9% greater.

It would appear that Projection Nos. 2 and 4a have been deemed to be the most appropriate. However, this is not the conclusion drawn naturally from JLL's reading of the ELR.

NLP considers that the labour demand methodology (Projection No. 2) has its limitations. These are set out in paragraph 6.7 of the ELR. These type of forecasts are considered by NLP to tend to be more reliable at a national and regional level, than at a local level. The policy on projection does add some local context, but still only leads to a net growth in B class jobs of 614 over the 2011-2030 period, leading to a requirement of only 22,235 sq m. In addition, as acknowledged by NLP, the labour demand methodology also reflects the position at the bottom of the market (paragraph 9.20).

The labour supply methodology (Projection No. 4a) is also criticized by NLP for its limitations. NLP considers it is more conservative as it relates to a declining working age population and advises that it provides a benchmark for comparison with the other approaches rather than acting as a sound basis for future planning in isolation (paragraph 9.17).

No or little account seems to have been had by the Borough Council of the analysis of past take up rates by NLP. This is surprising, given that NLP concludes in paragraph 9.20 that:-

"It is likely that the actual performance of Tamworth's economy and commercial property market will lie somewhere between the econometric [labour demand forecast] and past trends projections".

On this basis alone, the choice of 32 hectares seem to be very cautious. Instead, by this analysis, the figure for the assessed period (2011 to 2030) should lie somewhere between 32.9 hectares (labour demand –policy on) and 48.51 hectares (take up over the last 10 years) or 66.49 hectares (take up over the last 16 years).

Furthermore, the analysis on take up is also caveated by NLP. Firstly, in paragraph 8.29, the long term rate (based on the last 16 years) is preferred. Based on NLP's evidence and advise, this suggests strongly that the requirement should be somewhere between 32.9 hectares and 66.49 hectares. A mid-point would be close to 50 hectares.

Secondly, it is acknowledged in a number of places in the ELR that past trends in development can underestimate future demand if the supply of land has been constrained because few sites have been available and/or there is infrastructure or funding issues (paragraph 8.20). It is acknowledged elsewhere that there has been a lack of sites and the agents consulted have advised that the limited availability of sites has artificially suppressed demand, particularly for warehousing. This has not been helped by the fact that the last Local Plan did not allocate meaningfully any sites.

In addition, the ELR makes it clear that a detailed analysis of the logistics sector falls outside its scope (paragraph 4.10). JLL made this point when writing to the Borough Council in October 2013. Nevertheless, the ELR advises that *"there remains significant unmet demand for strategic B8 logistics space in the wider sub region"* (paragraph 4.21) and that this is both a strength and opportunity for Tamworth (Table 3.2 and paragraph 3.84).

In paragraph 9.32, it is concluded that continued demand for B8 floor space has been factored in the projections for the requirement. However, in paragraph 9.33, it goes on to add that:-

*"It should be noted that if TBC sought to accommodate new development of **large scale warehousing schemes**, then this could necessitate higher levels of provision well above the current land portfolio. It is recommended that the Council undertake further discussions with NWBC Officers to determine whether such an approach is necessary to address North Warwickshire's unmet needs and to adjust the Local Plan requirement accordingly". (Our emphasis).*

In addition, in the policy advice that follows in paragraph 9.37 it concludes that:-

“Should discussions with adjoining authorities identify a need for additional B8 land allocations to be located in Tamworth to address unmet strategic needs, this could require an employment land requirement significantly above the 25-65 hectare range”.

Overall, the ELR provides plenty of evidence to indicate strongly that the 32 hectare requirement is too low and should be higher. In addition, it rightly refers to the need to co-operate with North Warwickshire in meeting strategic logistics land needs.

A final sense check is the Panel Report to the RSS Phase 2 Review (September 2009). This recommended 56 hectares as an indicative long term requirement for Tamworth for the period 2006-2026, with the rider that if there was insufficient land within Tamworth to accommodate this requirement then consideration should be given to suitable land closely related to Tamworth that lies within the jurisdiction of North Warwickshire or Lichfield.

On that basis, we consider that the requirement for Tamworth for the Plan Period (2006 – 2031) should be greater than 32 hectares. Instead, we consider the evidence points to a requirement in excess of 50 hectares. As a logical outcome of this position, SMDL has agreed with the Borough Council that the 32 hectares represents a **minimum** requirement, but again and for the avoidance of doubt we consider that the Plan should specifically require a greater provision (of at least 50 hectares).

10.2 The Plan also identifies a significant shortfall (14 hectares) of employment land which needs to be identified in neighbouring authorities and then implemented within the plan period. Is this figure justified, and what steps has the Council taken to secure the implementation of this land for employment purposes?

The figure of 14 hectares for the shortfall in employment land should be treated as a minimum figure. This is an automatic consequence of the overall requirement being at least 32 hectares (i.e. the agreed position on this being a “minimum” figure as set out above). If the Inspector agrees that the requirement should be set higher (i.e. at least 50 hectares), then this will have an obvious bearing on the amount of land to be found in neighbouring authorities.

It is also dependent on the sites allocated by Policy EC6, which make up the existing supply of 18 hectares, being justified and deliverable. This is considered separately under the heading of Matter 10.3.

The Borough Council has been active in seeking to identify and support the delivery of a minimum of 14 hectares of suitable, available and achievable employment land outside its boundaries to meet its needs. This has been documented through correspondence with the Inspector prior to examination and through correspondence with North Warwickshire Borough Council concerning specific proposals promoted by SMDL at a site directly to the south east of Junction 10.

The correspondence with the Inspector (with particular regard to the Council's letter of 23 February 2015) refers to three proposed employment developments just to the east of Tamworth in North Warwickshire. These are:-

1. Planning permission for 8.5 hectares (a net developable area of 5.3 hectares) on land adjacent to Centurion Park, Tamworth for B1c, B2 and B8 development.
2. Planning application for 25.4 hectares (net developable area 14.1 hectares) on land directly south east of Junction 10 of the M42 motorway for B1c, B2 and B8 development.
3. Planning permission for 27.5 hectares of land, for large B8, that represents Phase 3 of the Birch Coppice development.

We have marked these proposed developments in red on the Employment Site Allocations Plan for Dordon in the draft North Warwickshire Site Allocations Plan. This plan forms **Enclosure No. 1**.

Sites 1 and 3 (DOR 24 and 11 respectively) are already identified by the emerging North Warwickshire Site Allocations Plan as allocations accommodating the local needs of North Warwickshire, and in the case of DOR

11, the wider sub-regional and regional needs of the logistics sector. However, Site 2 remains unallocated and unclaimed by North Warwickshire Borough Council.

An outline planning application for Site 2 was submitted by Planning Prospects on behalf of SMDL in December 2014. It proposes 80,000 sq m of B Class floor space. Illustrative plans, that accompanied the application, form **Enclosure No. 2**.

The application is currently undetermined by North Warwickshire Borough Council. However, all technical issues, such as highways and drainage, have been resolved to the satisfaction of those statutory bodies consulted.

On 23 January 2015, Tamworth Borough Council wrote to North Warwickshire Borough Council to support the application. A copy of this letter forms **Enclosure No. 3**.

The letter comments on how the proposals relate to Tamworth and how it could contribute to Tamworth's employment land deficit. It states:

"The application for 25 hectares of employment at land south east of M42 Junction 10 would form an extension to the urban area of Tamworth and is not located within or adjacent to an existing settlement in North Warwickshire.

Taking account of the site's relationship to Tamworth, it is considered that, if approved, this development would contribute to the employment land deficit for Tamworth, meeting some or all of the need not able to be delivered within Tamworth. This would meet with Strategic Spatial Priority SP1 of the Pre-Submission Local Plan which states "Making the most efficient and sustainable use of the Borough's limited supply of land and recognising that an element of future development will be provided by neighbouring authorities" and with Policy SS1 (The Spatial Strategy for Tamworth)."

This support from Tamworth Borough Council for the development of this site, the absence of technical issues preventing its development, and its consistency with the strategic direction of growth, identify it is an obvious location to help to accommodate Tamworth's growth.

In addition, other potential options elsewhere are limited due to the restrictions on where North Warwickshire Borough Council can allocate sites (i.e. essentially the A5 Corridor from Tamworth to Atherstone as referred to above) and the fact that this authority has already identified for allocation for employment sites at Polesworth/Dordon and Atherstone to meet its own local needs.

For these reasons, it is agreed between SMDL and the Borough Council that this site is particularly well placed to meet the employment needs of Tamworth outside its boundaries.

10.3 Are the specific employment sites identified in Policy EC6 justified and deliverable within the Plan period?

Policy EC6 allocates ten sites providing a total of circa 18 acres. It is agreed between SMDL and the Borough Council that there are no other obvious sites within Tamworth's jurisdiction that are marketable and deliverable for employment land purposes.

The 18 hectares of allocated land is reliant on EMP1 – land south of the A5, Bitterscote South. This site, circa 10 hectares, is close to receiving planning permission for B1, B2 and B8 development. However, this site is not yet in the hands of a competent developer and is not being marketed. This contrasts to the land SE of Junction 10, that is in the hands of a competent developer (i.e. SMDL) and is being soft marketed until planning permission is granted when it will be fully marketed to operators.

10.5 Does the Plan address the need for a housing/employment balance? What is the current level of self-containment, and are there plans to increase it? Is there a balance between housing provision and maintaining an adequate supply of employment land?

Nathaniel Lichfield and Partners ELR Update does refer to the issue of self-containment between housing and labour, under the heading of Functional Economic Area (page 24), quoting statistics from the 2001 Census. Nathaniel Lichfield and Partners pointed to a high rate of out commuting from the Borough. In 2001, 18,265 residents (49% of Tamworth's economically active residents) worked outside the Borough, with Birmingham easily the largest location for out commuting. By contrast, only 10,040 workers commuted into Tamworth.

For these reasons, Nathaniel Lichfield and Partners concluded that Tamworth is a large exporter of labour. The net outflow was calculated at 8,225 residents, some 22% of its resident work force.

This suggests that additional employment land is need to rebalance the relationship with housing and to help the Borough Council meet one of its principal aims – provide local job opportunities and reduce the need for residents to travel outside the Borough to work (Policy SP3). As discussed above and in our Statement addressing Matter 4, if residents do need to travel outside Tamworth for work, then the objective should be for employment opportunities to be provided for them in locations closely related to the Borough.

PJL

JLL

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